policy REVIEW

Winter 1988 Number 43 Four Dollars

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No trade-offs on trade

In the weeks since the stock market fell out of bed, economists and other experts have probed and prodded the patient from every conceivable angle to learn the cause of the malaise. Some have cried "Eureka!" and pointed to computerized trading, triple witching hours, puts and calls, and other esoterica familiar to only a relatively few ultrasophisticated investors. Others, whom we heartily endorse, have blamed the nation's horrendous budget deficit, and demanded that it be brought under control once and for all.

But even as the Congress and the Administration negotiate what we hope will be more than a budgetary Band-Aid, we'd like to offer them a reminder. Please, guys, keep your eye on the long-term implications for international trade, and the role of American industry in what's indisputably a worldwide marketplace.

No matter what their shares are selling for, American companies have to compete at home and overseas against companies from the rest of the world. (It was no accident that foreign stock exchanges followed America's on the downhill ride; there really is only one world out there.) If American industry is unable to compete effectively, more than paper losses are at risk. The inability to compete could mean the loss of American jobs, and a lower standard of living for Americans.

Here, then, are some points we feel belong high on the agenda of the planners of America's economic future:

- Eschew the siren song of protectionism. Trying to hunker down behind a wall of tariffs, import fees, and other trade barriers will only bring on retaliation and trade wars. The U.S. tried that path when it enacted the Smoot-Hawley Tariff Act shortly after the '29 crash, and worsened the Great Depression that soon followed. Congress, especially, should keep history's lesson in mind as it attempts to finalize a largely protectionist trade bill.
- Don't increase the income tax. American corporations already are paying more under tax reform—and these costs, for the most part, are passed along to consumers. American products are priced higher as a result, and that makes it tougher to compete both at home and abroad.
- Consider the relationship between savings, investment, and productivity. Americans already save far less than the West Germans or the Japanese, to cite just two examples. Out of a nation's savings pool comes the money to modernize plants and equipment, and out of better factories with better tools come better, lower-cost products. That's surely another key to a solid competitive stance.
- If added revenues do have to be raised after budget cuts are achieved, then consider a consumption tax—which we espoused for some time. Such a tax is an incentive to save, and thereby acts as a spur to capital investment and productivity.

Americans until recent times haven't paid as much attention to world trade and worldwide competition as some of the nations whose products have now become ubiquitous in this country as well as overseas. The stock market crash should have awakened us to the need to play catch-up. If it does, and if we tame the deficit at the same time, then even Black Monday, like a cloud of any hue, will have a silver lining.

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THE NATIONAL REBIRTH OF RUSSIA

A U.S. Strategy for Lifting the Soviet Siege

DAVID A. MORO

Since the end of World War II, the United States has faced an unrelenting challenge of hostile competition from the Soviet Union. This competition has consisted of ideological warfare portraying the West as the enemy, a steady Soviet arms buildup designed to achieve decisive military superiority over the West, and the frequent use of force, both direct and by proxy, to expand Soviet influence and power. The stated goal of U.S. policy all along has been an end to hostile competition and the establishment of peaceful coexistence with the Soviets. But no American strategy to date—neither containment nor detente nor the strategic confusion of the Reagan years—has been able to move us closer to this goal.

Internal Soviet developments in recent decades, the most important of which is the emergence of a new national consciousness among ethnic Russians, may now make possible a new American strategy for peaceful coexistence. Its objective, simply put, would be to induce the Soviet state to move from its present ideocratic, totalitarian structure toward a more traditional nation-state with a nationalist rather than a Communist orientation. This evolution, if it could be brought about, would remove the root causes of Soviet aggressiveness.

Kennan's Siege Fiction

In seeking to achieve peace by transforming the Soviet regime, the strategy of Russianism bears certain similarities to the containment strategy conceived by George Kennan in his celebrated *Foreign Affairs* article of 1947. Containment, as Kennan understood it, was not simply a defensive policy of holding the line against Soviet advances. Its long-term objective was to induce basic change in the Soviet system by delegitimizing it.

Kennan's analysis contained two important insights. The first was that the sources of Soviet aggressiveness are internal, arising out of the need for the Communist elite to legitimize an inherently illegitimate power structure. To justify totalitarian control by the Party, Soviet propaganda perpetuated a "siege fiction"—the idea that socialism in the USSR was threatened by implacably hostile foreign forces, from which it could be protected only by the dictatorial state. The "siege fiction," in Kennan's view, became a self-fulfilling prophecy, conditioning Soviet behavior toward the West and inevitably bringing on the postulated hostility.

Kennan's second insight was to identify internal legitimacy as the key vulnerability of the Soviet regime. By containing Soviet expansionism and remaining strong and dynamic, Kennan thought the U.S. would undermine the cornerstone of Communist doctrine: the "palsied decrepitude" of capitalism and its inevitable collapse and replacement by socialism. The Kremlin would have to compensate for its loss of legitimacy by reforming internally and modifying its posture toward the outside world.

Alliance Against Hitler

Kennan's great error, however, was in thinking the Kremlin's legitimacy derived from socialist ideology, rather than from the state's assumed role as "protector" of the Russian nation from outside enemies. Kennan's failure to identify the true source of Soviet legitimacy made his strategy for undermining it ineffective.

It stands to reason that any "siege fiction," to be effective, must threaten something that people treasure and are willing to defend. Kennan wrote as if socialism were such a thing, as if Marxist-Leninist propaganda about foreign "enemies of socialism" would rally people to support totalitarian rule. But the heroic resistance of the Russian people during the "Great Patriotic War," as World War II is known in the Soviet Union, convincingly demonstrated the impotence of Communist ideas as a motivational force, and the awesome power of appeals to Russian nationalism. It is the *nation*, with its history, culture, and spiritual life—not the state—that is the true repository of the Russian people's deepest affections and loyalties. The Soviet siege fiction is effective only to the extent it succeeds in depicting imperialism as a threat to *Russian national survival*, with the Communist state as the only possible protector of the nation.

During the first 20 years of Bolshevik rule in Russia, "socialism" unleashed the most systematic violence ever perpetrated by a state against its own nation, with victims

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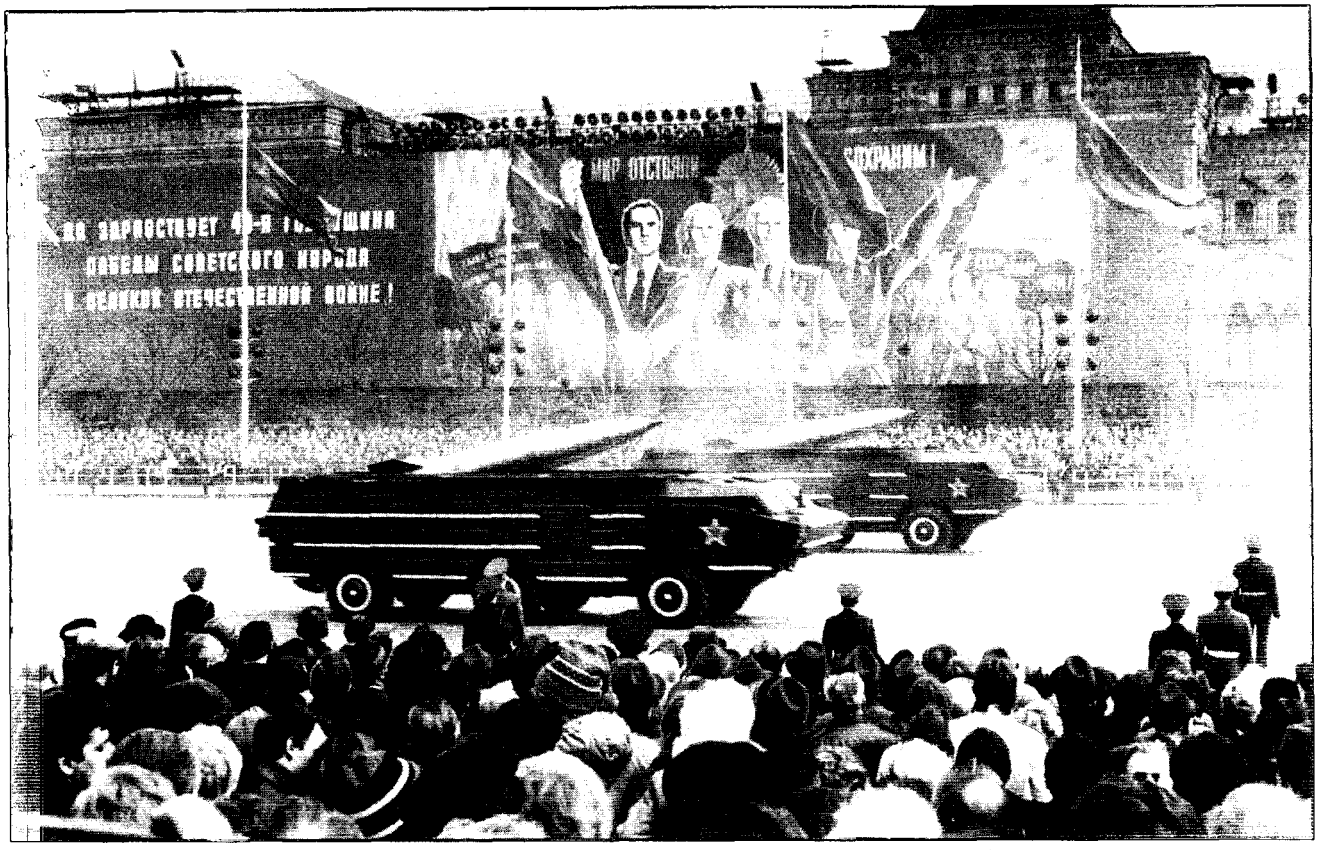

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Military parade marking the 40th anniversary of the end of World War II: The defeat of Nazi Germany is the central legitimizing event in Soviet history.

running into the tens of millions. Nevertheless, the Kremlin has skillfully manipulated Russian national sentiment on its behalf. Stalin, in the mid-1930s, veered sharply from previous Bolshevik policy and began accommodating Russian nationalist concerns. Persecution of the Orthodox church was eased, military heroes from the Russian past were resurrected, and the internationalist theme of official ideology was de-emphasized.

The accommodation between Soviet state and Russian nation strengthened into a tactical alliance during the struggle against Nazi Germany, which proclaimed itself the mortal foe of both. The war experience allowed the Kremlin to lay claim to nationalist loyalties without altering the fundamentally anti-national character of its ideology and policies.

This explains why the "Great Patriotic War" occupies so central a place in Soviet official culture. The cult of World War II nourishes the two key perceptions that together sustain the regime's tactical alliance with nationalism. The first is that the West is an enemy of the nation, not just a rival of the Soviet state: Hitlerism, with its unbridled hostility toward Russia, is portrayed in the Soviet media and educational texts as simply an extreme manifestation of Western imperialism. It is no accident that Ronald Reagan and other Western leaders are labeled "fascists" by the Soviet propaganda machine. The second perception is that Communist power is the only force capable of protecting Russia from this threat.

The regime's obsessive preoccupation with the "Great Patriotic War" is everywhere to be seen. On any given day, newlywed couples can be seen making the ritual pilgrimage to one of the innumerable war memorials scattered around the country, before going on to their wedding reception. The war theme predominates in cinema, television features, and official literature. The defeat of Nazi Germany is the central legitimizing event in Soviet history, and its memory is the driving force behind Soviet patriotism.

But Soviet patriotism, upon close inspection, is little more than an empty shell. It draws whatever strength and vitality it has through association with Russian national sentiment, which has truly vast mobilizational appeal. The Russians' allegiance to their state is based not on ideological faith, but on a grudging acceptance of the lesser of two evils (one of them fictitious): Communist domination of their nation rather than its annihilation at the hands of the West.

Clearly, then, disproving a prediction of Communist ideology, as containment was supposed to do, will not be sufficient to delegitimize the Soviet state. Belief in Marxist-Leninist dogmas has long since disappeared among a majority of Soviet people, but the state has retained a quantum of legitimacy—precisely because of its success in upholding the "protector of the nation" myth. Delegitimization would require nothing less than severing the tactical alliance between Russian nationalism and the Communist state, by undermining the perceptions on which this alliance is founded.

The Sources of Soviet Hostility

Because of inherent deficiencies in the Communist system, the Soviet regime cannot legitimize its power internally or gain influence abroad except under conditions of

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hostile competition with its foremost external rival—the West. The deficiencies in the Soviet system that give rise to this pernicious dependency are rooted in the very nature of totalitarian/ideocratic rule. Reform can mitigate them temporarily, but only fundamental change can cure them.

Under conditions of peaceful coexistence with the outside world, the Soviet state would find itself incapable of meeting the individual and national needs of its people. The problems afflicting the Soviet economy and society are well known: stagnant growth, technological backwardness, shortages of basic foodstuffs (especially in rural areas), the dismal state of health care, the demographic crisis affecting ethnic Russians, the epidemic of alcoholism, the breakup of the family, the rise of juvenile delinquency, and the ubiquitous corruption. The forces of decay presently operating in the Soviet Union would be sufficient to delegitimize the government of any ordinary nation-state.

This, then, is the Soviet problem: Even if the ruling elite were to relinquish its goal of world hegemony, it would still find hostile competition vitally necessary simply to maintain its internal legitimacy and its superpower status.

"National needs" are a less familiar concept, but equally vital. To be viewed as legitimate, a government must affirm its people's national identity and create an environment in which the nation's values, culture, and spiritual life can be expressed. But Communist rule is impossible without cutting people off from their roots: rewriting history, trampling national values and traditions, suffocating literature and art with ideology, corrupting language, and persecuting religion. Under peaceful circumstances, nationalism would grow into a vigorous force of opposition.

Many of the same deficiencies that make Soviet power internally illegitimate also prevent the state from competing successfully for preeminent world status, absent external hostility. The Soviet Union's position as a superpower, as many observers have noted, is completely dependent on its military power and the centrality of East-West conflict in international relations. Relative to its size, the Soviet Union's economic and technological clout are minute (except for military-related areas such as space exploration), while its official culture is barren. Peaceful coexistence would condemn the Kremlin to the status of a regional power, rather than a superpower.

To summarize, peaceful coexistence would confront the elite with a painful dilemma: either relinquish the Communist system, the current source of its power and privilege, or face a precipitous erosion of legitimacy and foreign influence (which inevitably translates into erosion of power).

By engaging its foremost external rival in hostile competition, the elite can avoid this dilemma. The West is confronted with aggressive challenges in armaments and geopolitical competition to which it must respond—thereby validating the "enemy" myth in the eyes of Russian subjects. In the international arena, hostile competition channels rivalry with the West into areas of relative Soviet strength and Western weakness. Control over resources and information makes a police state better able than democracies to sustain long-term military efforts, subvert governments, aid allies, and conduct disinformation campaigns. Hence, the Kremlin achieves geopolitical successes that it could not achieve under peaceful competition.

On the domestic front, hostile competition gives the regime an extraordinary form of legitimacy comparable to that enjoyed by governments in wartime. The perceived threat transforms the agenda, putting the need for national survival foremost in people's minds. It largely removes the system's failures as issues for the regime's legitimacy and diminishes the challenge from the two plausible alternatives to Communism. Western democratic capitalism becomes a dangerous aggressor rather than a model for emulation, and the regime acquires a much-needed pretext for cutting Soviet people off from their European neighbors. The nationalist alternative is skillfully preempted, as the state identifies itself with the supreme national interest—survival—and merges with the national entity in people's eyes.

The regime's implicit message to its subjects is that whatever harm done to Russian economy, society, and culture by Communism is far outweighed by the mortal threat to Russian nationhood from the West. It is a crude justification for totalitarian rule; but because of historical experience, the power of the Soviet disinformation machine, and the isolation of the average Soviet citizen from the outside world, it is also a compelling one.

This, then, is the Soviet problem: Even if the ruling elite were to relinquish its goal of world hegemony, as the realist school in the West assures us it has, this elite would still find hostile competition vitally necessary, simply to maintain its internal legitimacy and its superpower status. This is why it will not be possible to achieve peaceful coexistence with the Soviet Union in its present system. The most that can be hoped for with the current regime is to avert war and to marginally stabilize hostile competition.

The Kremlin's Achilles Heel

If we are to strive for more lasting peace, the strategic objective of U.S. policy must be to induce basic change in the Soviet system: away from the totalitarian, ideocratic, anti-national order, which requires hostile competition to legitimize itself, and toward, at the very least, a more traditional, authoritarian system that can provide for its people's individual and national needs without an atmosphere of siege.

To achieve this objective, it would not be necessary to directly seek the overthrow of Kremlin rulers. It would be enough to render the present system incapable of satisfying

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its power requirements. If U.S. policy could substantially deprive Soviet rulers of legitimacy at home and success abroad, it could deprive them of what ultimately motivates them: power. Without legitimacy, totalitarian rulers are like horsemen on flagging mounts: They may remain firmly in the saddle, but their capabilities are progressively diminished. And, as illustrated by Poland during the Solidarity crisis, a complete loss of legitimacy can cripple even a police state. The key vulnerability to target for this purpose is the Kremlin's tactical alliance with Russian nationalism. This alliance forms the core of the Kremlin's extraordinary legitimacy, and is indispensable for resisting reform and continuing present policies, at home and abroad.

For decades, the U.S. policy-making establishment has accepted as its point of departure a major tenet of Soviet propaganda: the permanence of the Communist order. Acceptance of this dogma may have once seemed prudent; today it is narrow-minded and even dangerous, for it blinds us to the one plausible way out of the impasse. There now exists a realistic alternative to Communist rule in Soviet Russia—an alternative toward which the leadership might gravitate if confronted with the right set of options.

The emergence of a new national consciousness among ethnic Russians is perhaps the most significant internal development in the Soviet Union since World War II. Aleksandr Solzhenitsyn has called the phenomenon the "Russian National and Religious Renaissance Movement." I will refer to it as Russianism. It has not yet coalesced into an overt political movement, although its political overtones are unmistakable. Rather, it is a tendency expressed in art, literature, film, religion, and many other aspects of culture.

Why Not Non-Russian Nationalisms?

Before examining the Russian nationalists in greater detail, it is necessary to address an oft-heard objection. There are nearly 100 ethnic groups living within the boundaries of the Soviet Union today, and only a bare majority of the populace is ethnic Russian. Why then the focus on Russian nationalism? The answer is twofold. To begin with, ethnic Russians make up a critical mass for the purposes of controlling the vast, multinational Soviet empire. As long as the Kremlin retains their allegiance it is doubtful that any alliance of minority nationalisms could pose a credible threat to Soviet power.

But more important, co-optation of Russian nationalism by the regime prevents any such alliance against Communist power from forming in the first place. It allows the Kremlin to pursue a "divide and conquer" strategy with respect to ethnic groups under its control. Although Russians are in no meaningful sense a favored nationality under Soviet rule—since 1917 their people and culture have endured persecutions far greater than those inflicted on minority nationalities—the myth of Russian dominance is easy to feed, given Russia's imperial past and the Soviet state's outward physiognomy (a multinational empire controlled from the Russian capital, with Russian as the official language). By giving Russian imperialist overtones to its domination of other peoples, the regime deflects the resentment of other nationalities from the Communist state entity onto the Russian national entity. These misdirected

AP/Wide World Photos

The social and economic decay in the Soviet Union would be sufficient to delegitimize the government of any ordinary nation-state.

antagonisms then spark reciprocal ones on the part of ethnic Russians. Internecine strife is carefully controlled, of course, to keep centrifugal forces in check. But it is vital for the purposes of preventing subjugated nationalities from recognizing Communist power as the common enemy and uniting against it. Thus, for Soviet rulers, Russian nationalism holds the key to controlling other nationalisms as well.

The Russianist Manifesto

The central theme of Russianism is that the Russian national identity and way of life are being slowly destroyed under Communism. Leaders of the movement are distressed over the material impoverishment of the country, and in particular, the desperate condition of the Russian village. They are alarmed at the demographic crisis afflicting ethnic Russians and the destruction of the Russian environment, both of which they blame on state policies.

An equally strong set of grievances has to do with the cultural and spiritual decay of Russia under Communism. Russianists bitterly point out that Russian literature, once among the world's greatest, has been bled white, with the nation's most talented writers either silenced or forced to emigrate. Another fear is that Russians are being cut off from their past; that they are being deprived of historical memory as a nation. History books are periodically revised and distorted by Party ideologues. Classics of literature are made unavailable. Cultural and historical monuments were destroyed in staggering numbers after the revolution, and continue to be neglected to this day. Finally, the persecution of the Orthodox church is depriving Russians of their traditional source of spiritual guidance.

The outlines of a "nationalist alternative" can be gleaned from a wide variety of sources. Most explicit are the Russianists' leading programmatic tracts, such as the compendium of essays on the future of Russia entitled *From Under the Rubble* (Little, Brown & Co., 1980) and Solzhenitsyn's *Letter to the Soviet Leaders*. There are also a number of periodicals devoted to nationalist issues, rang-

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ing from officially sanctioned Soviet publications—*Molodaia Gvardiia, Nash Sovremennik,* and *Sever*—to the *samizdat* publication *Veche* (suppressed in the mid-1970s), and the emigre journal *Possev.* Finally, there is the "ruralist" school of nationally minded writers, who are presently the dominant force in Soviet Russian literature, and whose works provide much insight into the moral and aesthetic values of Russianism.

Russianists are unanimous in their rejection of Communist ideology. They regard Marxism-Leninism, with its doctrines of class hatred and its pathological hostility toward religion, as a dehumanizing force that was ultimately responsible for the holocaust that consumed tens of millions of Russian lives under Lenin and Stalin. In an impressively researched article entitled "Socialism in Our Past and Future" (*From Under the Rubble),* the Russianist Igor Shafarevich argues that socialism as a system of thought is neither "modern" nor "progressive" as its adherents claim. Stripped of their pseudo-scientific exterior, socialist doctrines constitute a radical reversion to primitive social ideologies whose common features were abolition of private ownership of the means of production, state control of everyday life, subordination of the individual to the power of the bureaucracy, and the destruction of religion, family, and marriage. Shafarevich gives compelling expression to a basic conviction of Russianists: that socialism, in all of its varied forms, aims at the destruction of those aspects of life that form the true basis of human existence.

The central theme of Russianism is that the Russian national identity and way of life are slowly being destroyed under Communism.

Religious, Civil, and Economic Liberty

The Russianist worldview is a deeply Christian one. Orthodox Christianity is seen as the one healing force capable of raising Russia from the moral and spiritual abyss into which she descended under Communism, and of effecting her rebirth as a nation. As Evgeny Barabanov, another nationalist thinker, writes in his article "Schism Between Church and World" (also in *From Under the Rubble),* although the spheres of church and state are rightly separate, the concerns of Christianity are very much of this world; they are not limited to saving souls in the next. Religion must be a vital and dynamic force for the reordering of life in Russia. A.B. put it this way in his anonymous contribution to the same volume: "We are profoundly convinced that Christianity alone possesses enough motive force gradually to inspire and transform our world."

The nationalists call for guaranteed civil liberties, especially freedom of cultural and religious expression. Where they differ from the Westernizing dissidents is in emphasizing the importance of a Christian base of morality and self-restraint to prevent the abuse of freedom. Leading Russianist spokesmen see the evolution away from totalitarianism taking the form of a benign, authoritarian government with a nationalist orientation. Many are open to the idea of eventual democracy, but are divided on what institutional form it should take.

Russianists would decentralize the economy, assigning a major role for market forces. The course charted by Mikhail Agurskii ("Contemporary Socioeconomic Systems and their Future Prospects")—although not the work of a trained economist—is suggestive of the nationalists' thinking on this issue. Agurskii argues for a system in which the primary economic activities would be carried out by small, technologically sophisticated enterprises, interacting in free-market fashion, while certain tasks, such as scientific research and mining, would be centralized. Russianists as a group advocate decollectivization of agriculture as well as policies to revitalize rural life.

Russianism and the Outside World

Russianists are polycentric nationalists whose view of other nations and their role in human affairs is molded by their Christian worldview. As Vadim Borisov explains in his remarkable essay, "Personality and National Awareness," in the Christian scheme, nations are an integral part of the hierarchy of Creation. Like individuals, they are infused with personality and a distinct spiritual life. "Nations are the wealth of mankind, their generalized personalities," states Solzhenitsyn in his Nobel address "The smallest of them has its own particular colors and harbors a particular facet of God's design." This belief in the inherent value of all nations informs the Russianist approach on two particularly sensitive subjects: the question of minority nationalities, and Russia's future relationship to the outside world. There is considerable disagreement among leaders of the movement as to whether secession or reconciliation within the framework of a liberalized federation is the best solution for the Soviet ethnic minorities. On one point, however, there is agreement: the eventual solution, whatever its form, must be uncoerced and must provide for unfettered expression of each people's culture and identity.

On foreign policy, the nationalists tend to be isolationist. Their focus is inward-looking: on healing the nation's wounds after seven decades of Communist rule. They would maintain normal, friendly relations with the outside, but would avoid Soviet-style meddling. They call for a withdrawal from Eastern Europe and other Soviet client states. This principled stand against intervention is buttressed by a more visceral feeling among many Russians that Soviet involvement in far-away countries is a severe drain on the national treasure and brings Russia little besides (understandable) ingratitude and hostility.

Russianism's Mass Base

The popular appeal of Russianism is suggested by membership in organizations catering to nationalist concerns. The Orthodox church has 70 million active members and perhaps as many more sympathizers. The extraordinary memberships of "voluntary societies" provide another barometer of nationalist sentiment. For example, the All-Russian Society for the Preservation of Historical and Cul-

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tural Monuments boasts 14.7 million members. The All-Russian Society for the Preservation of Nature has 37 million. Because of the strictures on overt political activity, involvement in preservationist concerns has become one of the few "safe" ways to challenge the economic and cultural policies of the regime.

In addition, Russianism has considerable potential for expanding its existing base of support. The movement addresses everyday concerns in the lives of ordinary people. The desire to rediscover national roots is very powerful, especially among the young. And unlike the Westernizing dissidents, who are seen as advocating something "un-Russian," the liberal nationalist program is solidly within the Russian tradition. Russianist "leanings" can be detected in all segments of society in Soviet Russia, and at most levels of the power structure. To cite just one example, the late Mikhail Suslov, chief ideologist and politburo member under Brezhnev, was known for his patronage of the nationalists. On several occasions, he protected leading Russianist writers from KGB efforts to discredit or imprison them.

The strategic significance of Russianism is enormous. This movement directly challenges the two perceptions on which the regime's tactical alliance with Russian nationalism is based. It holds that Communism, not the West, is the true threat to Russian national survival. The challenge posed by Russianism to the regime's legitimacy is incomparably greater than that posed by the Westernizing movement, which simply asserts what is common knowledge: that the Kremlin is undemocratic and violates basic human rights. From a strategic point of view, Russianism can be viewed as the principal catalyst for delegitimization of the regime. With certain assistance from the West—in the form of effective information transmittal and public endorsement—Russianism has the potential of channeling popular discontent into a cohesive opposition and of making explicit the widespread latent feeling that the Communist state is inimical to the national interest.

A Scenario for Russianization

A decisive move toward Russianism by the Kremlin leadership would be a watershed event. Even if the initial result fell short of the lofty visions of leading Russianist thinkers, such a state would have emerged from the stranglehold of Communist ideology and totalitarian coercion—and this would permit it to evolve, by stages, in more benevolent directions. Having broken free from ideocratic rule, Russia could rejoin the family of nation-states and begin pursuing the national interest (something that has never happened in the seven decades of Communist rule). This internal development would revolutionize its relations with the outside, particularly the West.

We could expect to see a reassessment by the new Russianist state of Moscow's interests in maintaining a politically and financially costly hegemony in Eastern Europe, when the security benefits of such hegemony, in the nuclear age, are questionable. With its legitimacy no longer resting on the myth of outside "enemies," the state could allow greatly expanded contacts with the West. The obstacles to meaningful disarmament and normalized relations—which have always been political—would begin to dissolve in the new political climate.

The most plausible scenario for "de-communization" and "Russianization" is one in which a decisive faction of the Kremlin leadership concluded that continued ideocratic rule under the Communist system threatened its own power interests; and that authoritarian rule within the framework of a Russianist state offered the best hope for preserving whatever power it held. One cannot discount the possibility of other motives playing a part—for instance, a genuine concern for the welfare of the Russian nation. But it is more prudent to assume that power considerations are paramount.

Three particularities of Russianism—its qualms with Western-style party politics, the primacy it assigns to moral content over political form, and concerns over Russia's present readiness for democracy—have led many to conclude erroneously that the nationalists are "anti-democratic."

This scenario brings up an interesting paradox: that authoritarian rule, with its greatly reduced control over the life of the nation, might at some future date promise its leaders greater power than totalitarian rule could. The paradox becomes less baffling, however, when we recall that power resides in leaders' capabilities, deriving in large part from the strength and vitality of the society they preside over. Freed of its Communist fetters, Russia could reasonably aspire to economic strength on a par with the U.S., technological prowess on a par with Japan, and a dynamic culture second to none. And rule based on genuine popularity and respect becomes, at some point, more "powerful" than continued tyranny over a sullen, increasingly defiant populace.

The preconditions, then, for a move by the Kremlin toward Russianism are two. First, a decisive faction of the leadership (most likely one that abandoned Marxist-Leninist ideology) must be convinced that totalitarian rule is no longer workable, and that moving toward Russianism is the path of least resistance. Second, the Soviet leadership must believe that transition to a Russianist order is feasible—that the necessary economic and political transformations could be accomplished within a realistic time frame and at tolerable pain levels.

U.S. Appeal to Russian Nationalism

The United States can help foster these preconditions through the judicious application of three strategic initia-

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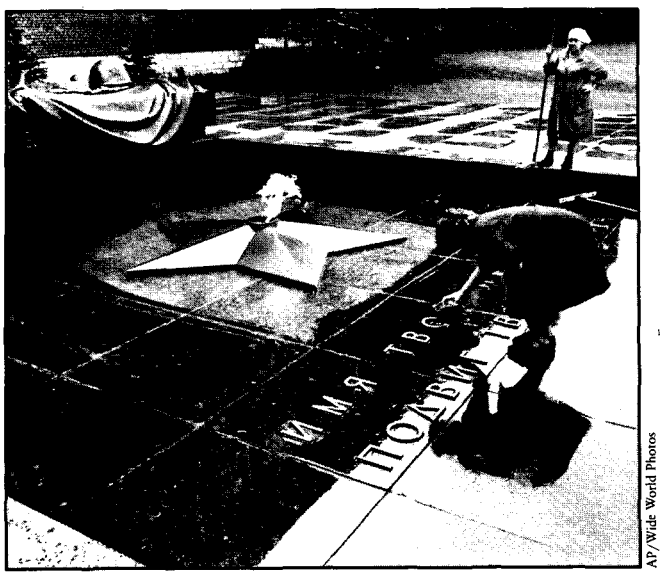

AP/Wide World Photos

Tomb of the Unknown Soldier: The basis of Soviet legitimacy is the Kremlin's tactical alliance with Russian nationalism.

tives. The first, and most decisive, would be a sustained appeal to Russian national sentiment, carried out through direct information transmittal (radio and television broadcasting) and in the public stance taken by our foreign policy spokesmen. It would be designed to break the Communists' tenuous grip on national sentiment and to foster the development of Russianism as an independent political force; to forge a sympathetic bond between Russia and the West, by emphasizing our support for legitimate Russian national aspirations; and to stress the commonality of interests between Russianism and other defensive nationalist movements within the USSR. It would be especially important to differentiate, as a bedrock principle of our policy, between the Communist state (our true adversary) and the Russian nation (a victim and potential ally). This fundamental distinction should permeate all aspects of our policy formulation and should be a consistent theme of foreign policy pronouncements by U.S. government spokesmen.

As part of this initiative, we badly need a strategic mandate for information transmittal. At a time when the decisive contest between East and West has shifted to the battleground of ideas, we have left direct broadcasting outside the official purview of administration policy-making. This is like depriving a field commander of his heavy artillery. Radio Liberty, the only American service that broadcasts to the Soviet peoples on matters of Soviet national concern, is administered by a board responsible to the Congress. This makes it difficult for a U.S. president to integrate a consistent message to the Russian people into an overall strategy toward the Soviet Union. And yet this message is more important than any other instrument we have for fostering the internal Soviet change necessary for peaceful coexistence.

To be effective, our message must reach a critical mass of Soviet people over an extended period of time. We currently have the resources and technology to overcome any level of Soviet jamming, and to develop a television broadcasting capability as well. That we have not done so is a measure of how vastly we have underrated the vulnerability of totalitarian governments to ideas.

The second strategic initiative is external defeat of the Soviet empire, the denial of prestige and geopolitical successes to a regime that relies heavily on these things for its political survival. This would require a greatly invigorated, forward containment policy that resolutely seized the initiative from the Soviets in the international arena and beat them at their own game of hostile competition. The liberation of Grenada, the stiffening of the valiant Afghan resistance, the Solidarity challenge to Communist rule in Poland, and the impressive turn toward democracy taken by so many countries in the past decade (Brazil, Argentina, El Salvador, the Philippines, and South Korea, among many others) are all setbacks that collectively undermine Soviet power abroad. So far there have been too few such victories and too little public support in the West for the forward containment policies that would lead to more of them. But public support *will* materialize for forward containment when it is connected to a plausible overall strategy for achieving peaceful coexistence.

A Marshall Plan for Post-Soviet Russia

A third initiative would be a Grand Bargain proposal offering Western economic, diplomatic, and military cooperation to a Kremlin leadership that opted for the Russianist alternative. Together, U.S.-Soviet military expenditures total well over a half trillion dollars annually. Total East-West defense outlays driven by hostile competition are close to a trillion dollars. This gigantic reservoir of wealth constitutes a major resource for our policy.

Clearly, a political settlement (involving Soviet abandonment of hostile competition) is essential before the economic potential of East-West military expenditures can be liberated. But a proposal that specifies and makes concrete the possible applications of these resources can help bring political settlement. The transition from Communism to Russianism would involve substantial socioeconomic dislocations, at the very time government controls were being relaxed. Any leader embarking on the Russianist course might face a period when popular expectations outstripped his ability to perform. A substantial injection of resources from the West, coupled with technical assistance, could be crucial to the success of the transition. Without concrete assurances that these would be forthcoming, even a well-disposed leader would be loathe to take the gamble.

The United States could reduce these impediments by proposing an arrangement under which unambiguous abandonment of the totalitarian order and hostile competition by the Kremlin would trigger a mutual paring down of military establishments over an appropriate time frame. This would make possible large-scale assistance to the new Russianist government, along the lines of a Marshall Plan, which could be financed by a mere fraction of the resources liberated. The assistance would generate lucrative business for a host of Western economic interests (farming, consumer industries, heavy machinery, high-tech) whose support has proved important to the success of past policy initiatives.

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It goes without saying that a Grand Bargain proposal would be initially rejected. It would take years for the West to create a situation in which the power interests of Soviet rulers would be served by accepting such an arrangement. But in the meantime, the Grand Bargain would perform the crucial task of making the Russianist alternative concrete and plausible. The Soviet elite fears nothing so much as uncertainty. The proposal would also be useful, in the early stages, for securing domestic and Allied support for the overall U.S. policy approach.

None of these long-term initiatives precludes interim efforts to improve relations. The search for arms agreements and cultural exchanges has assumed a quasi-religious significance for many Westerners, and it would be needlessly controversial to neglect these efforts. Moreover, as an open and dynamic society, we hold an inherent advantage over the Soviets, and can only benefit from truly reciprocal, citizen-to-citizen contacts. But it must be understood that until the Kremlin can be weaned from its dependence on hostile competition, our mutual interests in these areas will probably remain extremely limited. And under no circumstances should the long-term initiatives be compromised for the sake of cosmetic "tension reduction" measures. The cure must not be held hostage to temporary alleviation of the symptoms.

A policy combining the three above-mentioned initiatives could be expected, over time, to confront the Kremlin leadership with a rapidly deteriorating internal and external situation from which they could extract themselves only by moving in the direction we desire. The Soviets' first response to a policy that shook their power to its very foundations would be to try to discredit it among Western constituencies. The leadership could also ratchet up internal control and repression—but this would not accomplish the critical task of restoring internal legitimacy and vitality, and would do nothing for their power, at home or abroad. There is always the hypothetical possibility of launching a preemptive strike against the West, either in the Mideast or in Europe. But this would make sense only if the West neglected its deterrent. War with a militarily strong West would pose a far greater risk to the elite's power than would the one remaining alternative—Russianism.

The first steps toward Russianism might be modest reforms within the Communist framework, designed to recapture nationalist support (one could argue that much of what Gorbachev has done in the cultural sphere thus far has had that purpose). In time, this process could pave the way for more drastic change. In a bid to consolidate power, the Soviet leader could launch a de-communization campaign and proclaim a Russianist state. This would generate a great surge of popular support, and allow him to seize the opportunity proffered him by the West, in the form of the Grand Bargain. All the cooperation, resources, and technical assistance provided to him under this agreement could be used to enhance his legitimacy and to overcome bureaucratic interests' stiff opposition to change.

Malignant Offshoot

A policy of encouraging a Russian nationalist evolution of the Soviet regime has been advocated by a number of specialists, ranging from Aleksandr Solzhenitsyn to Western scholars such as John Dunlop, Suzanne Massie, Peter Reddaway, and Alain Besancon. By and large, however, the policy-making community has shied away from such suggestions, because of doubts about the character of Russian nationalism. These doubts are understandable but, for the most part, misplaced.

The distinction between the Communist state (our true adversary) and the Russian nation (a victim and potential ally) should permeate all aspects of our policy formulation and be a consistent theme of foreign policy pronouncements by U. S. government spokesmen.

One problem is the automatic identification of Russian nationalism in general with a few of its pathological manifestations. As in any country where national consciousness has been brutally repressed, several malignant offshoots of nationalism have sprouted in the Soviet Union. The best-known among these is National Bolshevism, which is essentially a form of Russian fascism.

The available evidence suggests that National Bolshevism is little more than a marginal movement. But since its exponents endorse the idea of a totalitarian state, and are willing to accept a "sanitized" version of Communist ideology (one purged of "internationalism"), they are useful to the Kremlin. National Bolshevism enjoys tacit support of the regime, and is thus the "nationalism" most conspicuously displayed on the Communist facade. Indications are that it is strongest in the upper echelons of the Army and Party elite. That may explain why so many Westerners have confused it with Russian nationalism per se, and have shown such a visceral hostility toward the latter. But as one moves closer to the grass roots, sympathies for this tendency diminish markedly, and according to Evgenii Vagin, a student of Russian nationalism now living in Italy, National Bolshevism completely lacks a mass base.

There are three issues on which Russian national sentiment tends to be misunderstood by Western observers: its stance toward democracy; the role of religion in a Russianist state; and its attitude toward other nationalities and Soviet Jews.

The perception that Russianists as a group are anti-democratic is erroneous. In fact, leading Russianists such as Solzhenitsyn, Shafarevich, Borodin, and Maksimov have openly embraced the founding principles of Western de-

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mocracy: human freedom resting on a firm foundation of law and self-restraint. What they single out for criticism in contemporary Western society is not the form of democracy but the content it has been given by recent generations: what Solzhenitsyn has called the "total emancipation . . . from the moral heritage of Christian centuries, with their great reserves of mercy and sacrifice." In his 1978 Harvard address, Solzhenitsyn praised early American democracy, where freedom was granted to the individual "in the assumption of his constant religious responsibility." By and large it is not democratic values that Russianism objects to, but rather those tendencies in Western thought and society that have eroded our will to defend them.

Russianists would decentralize the economy, assigning a major role for market forces.

Several factors contribute to confusion on this score. For one thing, most Russianists are disillusioned with the institution of Western party politics. They question whether cutthroat competition between groups pursuing their partial interests can produce policies that truly serve the public interest. Few Western democrats would deny this is a problem, although most would probably consider it a necessary price for the advantages of government by the people. Russianists like Maksimov disagree; they see the degeneration of party politics as the direct result of eroding moral and civic values. They have voiced a preference for "non-party" or "extra-party" paths to democracy, in which more emphasis would be placed on searching for consensus, and competition between rival groups would be moderated by a stronger concern for the public weal.

Moreover, Russianists regard man's movement of moral ascent in life, based on his "inner freedom"—his will and reason—as the central purpose of his existence. They regard as secondary the political form under which these spiritual and moral processes are carried out. Thus, while they voice a clear preference for the democratic form, they are prepared to accept an authoritarian system, when circumstances warrant it, as long as the state respects certain fundamental human rights and liberties. This sense of priorities is firmly rooted in the Christian tradition: ("Render unto Caesar what is Caesar's . . . "). But it is alien to the secular mentality of many Western elites, who instinctively condemn the consideration of spiritual values in constructing a political system. Russianists ardently oppose totalitarian systems, because beyond curtailing political activity, such systems seek to crush those essential spiritual and moral processes by requiring universal participation in the lie of ideology. As Solzhenitsyn put it, "When Caesar, having exacted what is Caesar's, demands still more insistently what is God's—that is a sacrifice we dare not make!" (*From Under the Rubble*). This is what makes totalitarianism fundamentally different from authoritarianism, and unacceptable under any circumstances.

With regard to democracy in Russia, the nationalists' view is tempered by the stark realities of Soviet rule. Solzhenitsyn has condemned the "coup masterminded by Lenin and Trotsky against the weak Russian democracy" in 1917 as an "act of villainy." He has also stated that after decades of Communist devastation, "the only path down from the icy cliff of totalitarianism that I could propose [would be] a slow and smooth descent via an authoritarian system." A persistent concern, voiced by Leonid Borodin and many other nationalists, is Russia's readiness for democracy; they stress the need to rebuild a base of morality and respect for law to replace the contempt for authority left by lawless Communist tyranny.

These three particularities of Russianism—its qualms with Western-style party politics, the primacy it assigns to moral content over political form, and concerns over Russia's present readiness for democracy—have led many to conclude erroneously that the nationalists are "anti-democratic." The fact is that most Russianists are sympathetic to the idea of an eventual democracy; and even when they object to the Western variant, the remedy advocated by Russianism stresses self-restraint and spiritual uplift, not external coercion.

Church and Chauvinism

The charge of theocracy is easier to dispose of. It is, quite simply, groundless. Nowhere does Solzhenitsyn or any other leading Russianist advocate anything resembling theocratic rule. What Russian nationalists do call for is an end to persecution of the Orthodox church, along with freedom for all religions. The Russianist Aleksandr Udodov, in an interview published in *Russkoe Vozrozhdenie* ("Russian Renaissance"), sets forth as his minimal program, "freedom for the church, then freedom for all the peoples of Russia to live and to realize their indigenous traditions and cultures." The program of the All-Russian Christian Union for the Liberation of the People, a dissident nationalist organization, specifically calls for freedom of religious practice. Russianists, as noted earlier, envision a leading role for the Orthodox church in the spiritual life of the nation. Religious organizations play such a role in Israel and in Poland, and yet that does not make either state a theocracy.

The third charge, which has many variants, may be expressed thus: the Russians are a chauvinistic, messianic people, possessed of an imperialist mentality that has deep roots in their history and national character. For this reason, a nationalist Russian state would be as threatening to non-Russian nationalities as the present Communist one, or more so. This view has gained a peculiar respectability among commentators and Soviet experts. Ironically, the practice of blaming Soviet iniquities on the Russian national character serves the purposes of both ends of our political spectrum. For the left, it salvages the respectability of the Communist system and Marxist-Leninist ideology. For conservatives such as Richard Pipes, it reinforces the notion that Russia is a "lost" country—equally predatory under Communism or any national form of government. It merits close scrutiny.

The charge of "Russian chauvinism" is trotted out with such mindless regularity that it has acquired a momentum

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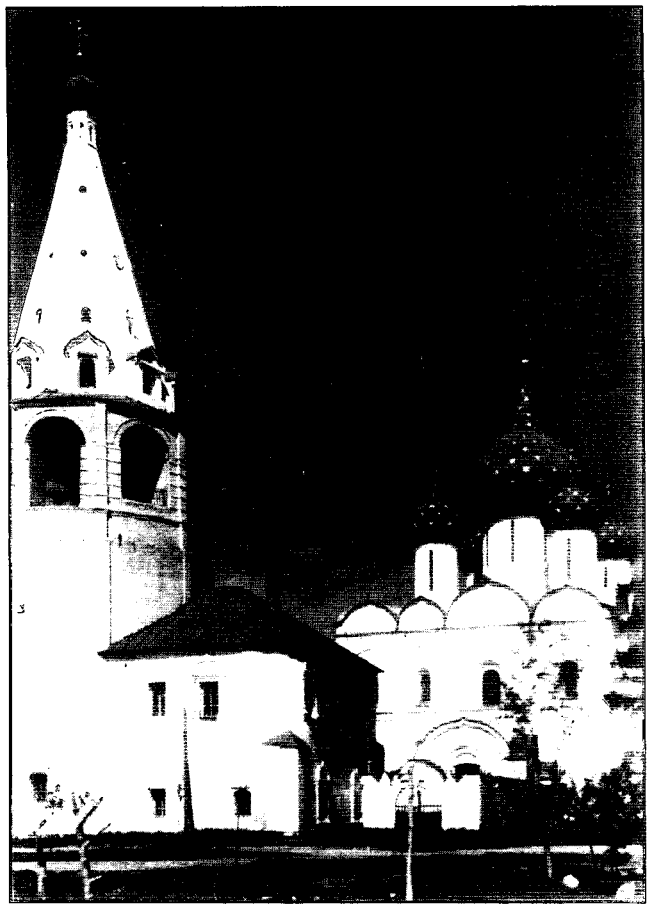
of its own, independent of the evidence cited in support of it. If by chauvinism is meant an unfounded sense of superiority over other nations and the sense of being entitled to rule over them—then chauvinism is uncharacteristic of Russianism. The leaders of the movement, as noted earlier, are explicitly polycentric. In "As Breathing and Consciousness Return" (*From Under the Rubble*), Solzhenitsyn writes: "With regard to all peoples in and beyond our borders forcibly drawn into our orbit, we can fully purge our guilt only by giving them genuine freedom to decide their future for themselves." Or, as Shafarevich has written in an essay also in *From Under the Rubble*: "We cannot count on our neighbors for sympathy, or even absence of hostility, unless we can not only see the Estonians, for example, as people equal to ourselves in every respect but realize how much our life has been enriched by the proximity of this small, courageous people who are prepared to make any sacrifice other than renounce their national individuality."

Similarly, "messianism" has no place in the national consciousness of ordinary Russians, nor has it for centuries. Accusations of messianism almost invariably rest on erudite-sounding references to the doctrine of Moscow as the Third Rome, propounded by the abbot Filofei in 1510. But as the historian Nicholas Riasanovsky has pointed out, Filofei's concern was faith life, not politics, and the Muscovite rulers never endorsed the view of Moscow as the "Third Rome" in foreign policy. And, regardless of interpretation, the views of a 16th-century clergyman are flimsy evidence. One could find equally lofty claims in the writings of early Americans, Britons, and Frenchmen, and they would tell us equally little about the national character of their present-day countrymen.

Russianists do have a keen sense of Russia's uniqueness—of the moral and spiritual values she could contribute to mankind by her example. Among these values are a sense that justice goes beyond legalism and an approach to internal political disputes that emphasizes painstaking (and uncoerced) consensus building, rather than hostile partisan competition. But, as pointed out earlier, this sense of uniqueness has nothing to do with either chauvinism or messianism.

The Imperialist Fallacy

Zbigniew Brzezinski, in "Tragic Dilemmas of Soviet World Power" (*Encounter*, December 1983), states: "The Soviet Union is the political expression of Russian nationalism." He traces Soviet aggressiveness to an "imperial consciousness" among the Russian people. To make his point, he attempts to identify Soviet expansionism with pre-revolutionary czarist imperialism, and to differentiate the latter from Western European imperialism. Neither argument is convincing. The Soviets have always imposed their totalitarian ideology and socioeconomic system on conquered peoples, whereas Russification was the exception, not the rule, under the czars. He cites the duration of Muscovite expansion (300 years), and the fact that it was directed against contiguous territories to show that it differed "profoundly" from the experience of European empires. But British imperial expansion lasted longer than 300 years, while France (under Napoleon), Germany, and Poland all expanded into contiguous lands. And although she lagged behind Western states, Russia in the period 1864-1914 underwent the key social, judicial, and constitutional reforms that invariably signal the end of the expansionist phase of nation-states.



AP/Wide World Photos

The Russianist worldview is a deeply Christian one. Orthodox Christianity is seen as the one healing force capable of raising Russia from the moral and spiritual abyss into which she descended under Communism.

The Russians, like any other people, have their homegrown bigots. But Americans would hardly welcome having their nationalism judged on the basis of interviews with neo-Nazis and Ku Klux Klansmen. Bigotry cannot be considered inherent in Russian national consciousness, especially when reasonable allowance is made for the perversion of information under Communism—the regime's calculated efforts to fan xenophobia and national antagonisms among its subjects. In fact, Russian-speaking visitors fortunate enough to have extensive contact with the "man in the street" (as opposed to overbearing official hosts) often find the opposite: a tendency to be over-awed by foreign cultures and to underrate their own.

It is true that Russians have their "national nemeses"—peoples toward which there is widely held antipathy and distrust, as a result of historical experience. The Poles and the Turks are two such peoples. But here again, Russians are hardly unique. Similar complicated feelings exist between Germans and French, Greeks and Turks, Japanese and Chinese, Vietnamese and Cambodians, and many oth-

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Reuters/Bettmann Archive

Together, U.S.-Soviet military expenditures total well over a half trillion dollars annually. Some of this gigantic reservoir of wealth could be used for the reconstruction of Russia.

ers. These feelings frequently exceed their legitimate basis in historical fact, and are almost always unconstructive; but they are a reality of human nature. What is remarkable about the leaders of the Russianist movement is their profound awareness of this universal problem, and the freshness of their approach to dealing with it. The approach, spawned by their Christian worldview, is expressed in Solzhenitsyn's "Repentance and Self-Limitation in the Life of Nations":

> . . . we shall have to find in ourselves the resolve to take the next step: to acknowledge our external sins, those against other peoples. There are plenty of them. . . . My view is that if we err in our repentance, it should be on the side of exaggeration, giving others the benefit of the doubt. We should accept in advance that there is no neighbor toward whom we bear no guilt. . . . Among states, too, the moral rule for individuals will be adopted—do not unto others as you would not have done unto you.

and further in Shafarevich's article on the nationalities problem:

> Why is it thought that different peoples cannot live within the bounds of a single state of their own free will and to the benefit of all? . . . *I believe* this path is not closed to the peoples of our country, but finding it will not be at all easy. It will require much effort and goodwill, and changes in our usual attitudes. It would be a great pity if the readers were to think that I am advocating this effort for the non-Russian peoples only; in many respects it is precisely the Russians who ought to be breaking their old habits.

Russians and Jews

One of the most delicate issues for Russianism is the tangled web of Russian-Jewish relations. Soviet Jews have deeply rooted historical grievances against the Russians. From the partition of Poland under Catherine II until the mid-19th century, they were restricted to the "Pale of Jewish Settlement" in Western Russia. Even once they began to leave their settlements, Jews were treated as second-class citizens. The reign of Alexander III (1881-1894) brought a new wave of discriminatory legislation and the onset of pogroms—which, although condemned by moderate nationalists and clergymen, were abetted by local authorities.

Russians for their part have grievances against the atheistic Jews who played a prominent role in giving the Bolshevik Revolution its fanatically anti-Russian character, particularly in the frightful persecution of the Orthodox church. It was Trotsky who said, "The Revolution means the people's final break with . . . Holy Russia, with ikons and with roaches." Soviet authorities cleverly fan the perception among both Jews and Russians that the other group is hostile to their national aspirations.

The approach of leading Russianists to this problem has been one of mutual understanding and reconciliation. An example can be found in an exchange between Zionist activist Mikhail Agurskii and the editors of the Russianist publication *Veche*. The editors stated, "We want to say to our Jewish readers that 'Russian' does not at all signify 'Anti-Semite.' To the contrary, the Jewish movement . . . elicits the warmest sympathy on our part, just as would be the case with any other national movement." In his response, Agurskii stressed: "Indeed, Jews often perceive the Russian national movement as aggressive, whereas in essence it is a defensive one." Russianists point out that the Jewish and Russian nations have been victims of the two greatest genocides of the 20th century, both at the hands of totalitarians. Russianism's minimal program for Soviet Jews is freedom from religious oppression at home and freedom to emigrate. They are unanimous in their support for Israel. Where Russianists differ is on the question of whether assimilation is ultimately possible between peoples so hostile to each other historically, or whether a "Jewish republic" within a future federation is the answer.

In summary, the casual dismissal that Russian nationalism has received at the hands of mainstream scholars and policymakers in this country is undeserved. The Russianist worldview is a sophisticated one, possessing many fascinating and admirable qualities, however much it may differ from our own. It is also, potentially, the single most powerful force for change in the Soviet Union today. We neglect it at our peril.

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Let Russia Be Russian

From the perspective of U.S. policy, a Russianist transformation of the Soviet regime would have four overriding virtues, each answering the need of a key party.

First, a Russianist state would be capable of ordinary legitimacy; the Kremlin would no longer have to rely on hostile competition with the West to legitimize itself internally or to achieve preeminent world status. For the West, this would remove the primary obstacle to peaceful coexistence, disarmament, and other long-term policy goals.

Second, the leaders of such a state would retain very substantial power, although of a different kind from that enjoyed by totalitarian despots. The power would flow from the genuine popularity of the nationalist theme and policies, and from the greatly enhanced vitality and capabilities of the nation over which they presided—rather than on absolutist control over a subjugated people. For power-motivated Kremlin leaders, looking for a way out of a rapidly deteriorating situation, this option might, at some point, be viewed as the best available alternative—provided, of course, that Western policy had set the stage for such a move and effectively foreclosed other options.

Third, for the long-suffering Russian people, a Russianist state would represent an immense improvement over their lot under Communism. Although in its early stages, such a state would be authoritarian, its people would enjoy civil liberties and cultural and religious freedoms undreamed of under the present ideocratic regime. The economy, freed from the ideological fetters of Marxism-Leninism, could finally undergo the transformations it needs to become truly productive.

Finally—and very importantly—a Russianist state would be far more accommodating than the present Communist regime to the national aspirations of ethnic minorities within the Soviet Union, including Soviet Jews, as well as those foreign states forcibly drawn into the Soviet orbit.

A number of the reforms implemented by General Secretary Gorbachev suggest he is, if not a Russianist sympathizer, at least mindful of the power of nationalist sentiment and concerned about its gradual alienation from the regime. Especially noteworthy was the publication of *Dr. Zhivago* and several other previously unavailable Russian masterpieces, and the unusually candid appraisal of the Stalin era given in a recent speech. An effort has also been made to welcome Russian expatriates in their homeland once again. In the byzantine world of Soviet politics, leaders move slowly by necessity, and Mr. Gorbachev has yet to reveal his full hand. But it is not inconceivable that the "radical restructuring" he has spoken about might eventually take him down the Russianist path.

Russianism's minimal program for Soviet Jews is freedom from religious oppression at home and freedom to emigrate. They are unanimous in their support for Israel.

There is no way of knowing, at this point, whether Mr. Gorbachev possesses the inner convictions, abilities, and boldness to lead his country through such sweeping change. But the success of a Russianist strategy does not depend on the character of any one Soviet leader. The critical task for U.S. policy is to create the preconditions for a Russianist evolution. Once the stage is set, a leader will surely emerge, be it Mr. Gorbachev or one of his successors—driven by self-preservation, if by no loftier motive.

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CRIME AND RESTITUTION

The Alternative to Lock-Them-Up Liberalism

CHARLES COLSON

I am often asked why a Nixon law-and-order man has become a criminal justice reform crusader. After all, I wrote many of President Nixon's "lock 'em up and throw away the key" speeches in the early 1970s.

Many assume that pity or sentimental philanthropy has caused my change of heart: "You spent some time in prison, didn't you? It's *so nice* that you want to do something for those poor criminals." Others are not quite so charitable: "You've just gone soft on crime—taken in by a lot of liberal garbage about criminal rights and horrible prison conditions."

So I often face incredulity when I explain that I am neither a humanitarian nor a bleeding heart. Nor have I abandoned my life-long conservative principles. I'm still, in fact, a law-and-order man; it's just that the present system is not providing law and order.

Indeed, the more I have studied the criminal justice dilemma in America, the more convinced I am that our current mess has resulted from failed liberal approaches to the problem—and that the answer lies in traditional conservatism. Good conservatives, I believe, ought to be good criminal justice reformers.

This is most readily apparent when we examine how conservative and liberal visions of human nature condition our view of crime—and how they have resulted in dramatically opposed approaches to public policy.

The Fall Revised

For some time now the West has been operating under the most basic of liberal assumptions—the perfectibility of man. Liberals, notes Russell Kirk, "believe that education, positive legislation, and alteration of environment can produce men like gods; they deny that humanity has a natural proclivity toward violence and sin." Or, as Thomas Sowell says, in our public life we have accepted an "unconstrained" vision of human nature.

This view is nowhere more obvious than in theories of criminal justice. The conventional liberal view of the last 40 years was best expressed by Ramsey Clark, attorney general under Lyndon Johnson, who had written that "healthy, rational people will not injure others."

How then do we explain the existence of crime? The liberal logic follows that since man is essentially good, he must be forced into antisocial behavior by social or psychiatric causes. The reason may be unemployment, racism, poverty, or mental illness, but the lesson is clear: the fault lies not in ourselves but in our stars. So the solution to crime must lie in addressing those factors. Clark argues:

> The basic solution for most crime is economic—homes, health, education, employment, beauty. If the law is to be enforced—and rights fulfilled for the poor—we must end poverty. Until we do, there will be no equal protection of the laws. To permit conditions that breed antisocial conduct to continue is our greatest crime.

This view has been articulated even in the highest levels of government. President Jimmy Carter explained the widespread looting that took place during the 1977 New York blackout this way: "Obviously the number one contributing factor to crime of all kinds . . . is high unemployment among young people, particularly those who are black or Spanish-speaking or in a minority age group where they have such a difficult time getting jobs in times of economic problems."

No one publicly took issue with the president. A month later, however, a study conducted by a New York agency revealed that 45 percent of the arrested looters had jobs; only 10 percent were on welfare rolls. And, consistent with similar case studies, the looters stole things for which they had absolutely no use or need.

Whatever factual difficulties might attend it, however, the liberal position on the perfectibility of man and the social origins of crime remains a consensus among political and media elites. And it still largely conditions public policy response to crime. Since criminals are victims rather than victimizers and societal evils such as racism and poverty are the "fountainheads of crime," there can be only one solution: Put them in institutions where they can be "cured."

CHARLES COLSON *served as special counsel to President Richard Nixon from 1969 to 1973. In 1974 he pleaded guilty to Watergate crimes and served seven months in jail. Colson is now chairman of Prison Fellowship, a Washington, D.C.-based Christian ministry organization.*

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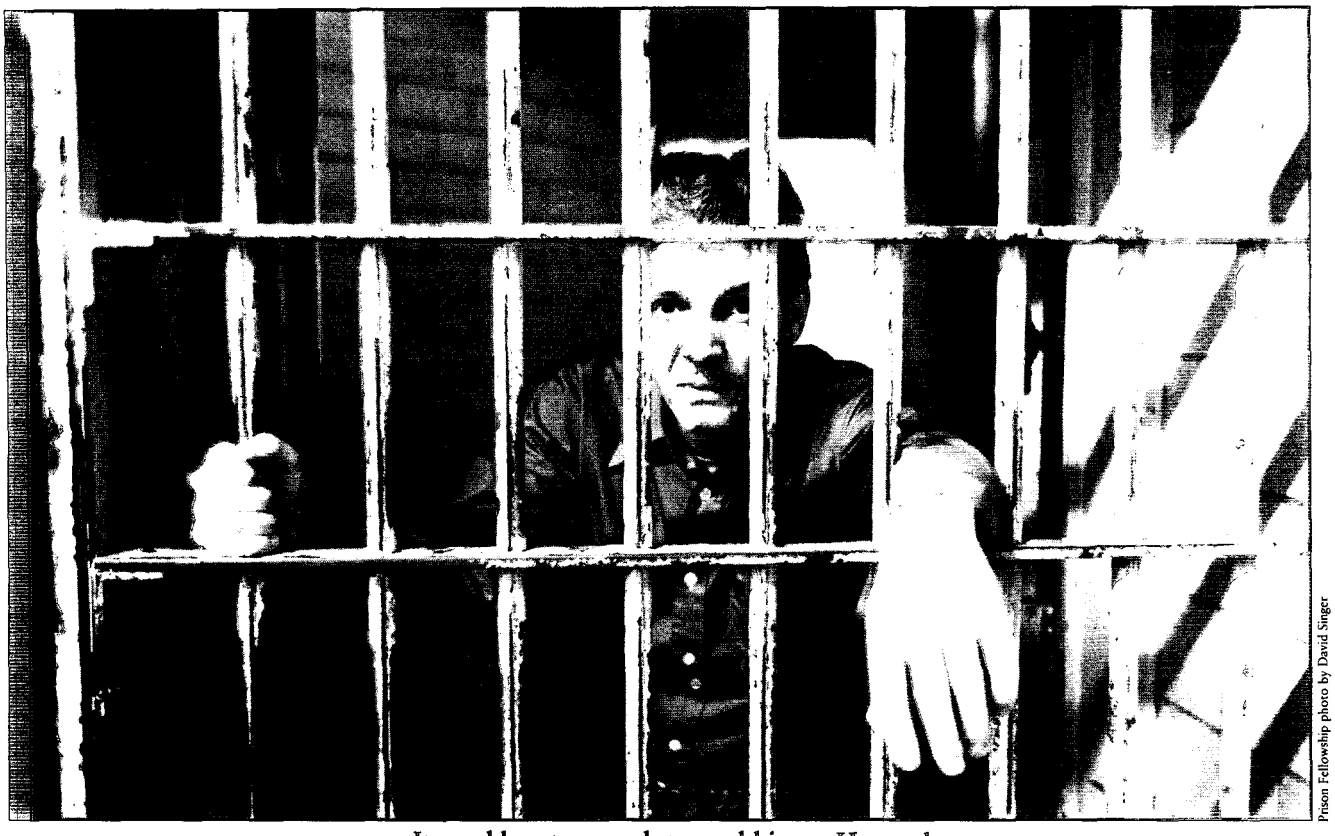

Prison Fellowship photo by David Singer

It would cost as much to send him to Harvard.

Punishment is not considered an option. Why punish a man who has been conditioned to act the way he does by his social circumstances? Punishment, according to Clark, is simply vengeance, a "brutalized throwback to the full horror of man's inhumanity in an earlier time." No, all that is necessary to change a man is to change his environment. When he is treated well, argues William Godwin, "his reformation would be almost infallible."

It is this line of thought that caused us to build prisons in the first place. Almost 200 years ago, Quakers turned Philadelphia's Walnut Street jail into a facility where criminals would reflect on their crimes and become penitent; thus the name penitentiary. These institutions were considered humane reform—instead of corporal punishment, society would put offenders into a solitary cell where they could repent and come out rehabilitated.

Instead, they came out insane. But by then prisons had become a popular reform, and in 1790 New York adopted them as the primary means of dealing with offenders; every state followed, and we've been building prisons ever since.

This innovation has prospered in the 20th century precisely because it fits perfectly into prevailing liberal, human engineering sociology. If the criminal is but a victim of the system, prisons are places where he might be vocationally trained, "socialized," and educated. Society, which has caused the disease of crime, will now cure it—so hundreds of thousands have been packed into institutions as wards of the state.

The Failure of Jailhouse Liberalism

Two centuries of this "humanitarian tradition" have left America with more than one-half million of its citizens incarcerated—the third largest per capita prison population in the world (250 per 100,000), following the Soviet Union (391) and South Africa (400). Our rate of imprisonment is twice that of Canada, three times that of Great Britain, and four times that of West Germany.

Moreover, prison use is increasing. The nation's prison population more than doubled between 1974 (218,466) and 1984 (463,866). The inmate population is actually increasing at 10 times the rate of the general population. But prison capacity is not growing nearly that fast. 546,000 prisoners now inhabit a prison system designed for a maximum of 432,000. Thirty-five states and the District of Columbia are under court order to reduce overcrowding. In 18 states, inmates are forced to sleep on floors.

Few social engineering programs in history rival for ambition or size this experiment in criminal rehabilitation. Sociologists and politicians who believed they need only tinker with man's environment promised us nothing less than an instrument to change human character.

But their record is one of absolute failure. Prisons not only don't cure crime, they actually appear to be a major cause of it. In the 1970s, according to the FBI, 74 percent of ex-prisoners were rearrested within four years of release. By some estimates as many as four out of five crimes in America are committed by ex-convicts.

America's prisons have thus been called "graduate schools for crime." It stands to reason: Take a group of people, strip them of possessions and privacy, expose them to constant threats of violence, overcrowd their cellblock, deprive them of meaningful work—and the result is an embittered underclass more intent on getting even with society than on contributing to it. Prisons take the nonvi-

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olent offender and make him live by violence. They take the violent offender and make him a hardened killer.

I saw this process firsthand when I served time in prison for a Watergate-related offense. My life was threatened during my first week behind bars—and I watched bitter men around me become more bitter and angry as the long months went by. I have seen the same dynamic at work in the hundreds of prisons I have visited in the years since.

America has the third largest per capita prison population in the world, after South Africa and the Soviet Union.

In 1973 the National Advisory Commission on Criminal Justice Standards and Goals published this conclusion:

> The failure of major institutions to reduce crimes is incontestable. Recidivism rates are notoriously high. Institutions do succeed in punishing, but they do not deter. They protect the community, but that protection is only temporary. They relieve the community of responsibility by removing the offender, but they make successful reintegration into the community unlikely. They change the committed offender, but the change is more likely to be negative than positive.

We pay a great deal for prisons to fail so badly. Like all big government solutions, they are expensive. It costs approximately $80,000 to build one cell and $17,000 per year to keep a person locked up. That's about the same as the cost of sending a student to Harvard. Because of overcrowding it is estimated that more than $10 billion in construction is needed to create sufficient space for just the *current* prison population.

The plain truth is that the very nature of prison, no matter how humane society attempts to make it, produces an environment that is inevitably devastating to its residents. Even if their release is delayed by longer sentences, those residents inevitably return to damage the community. And we are paying top dollar to make this possible.

The liberal vision has led to a tragic, widespread failure. And many conservatives who call for more prisons, I suspect, are unaware of the liberal heritage that has brought us our prison crisis. Is there a better way to deter crime and punish offenders? Yes. The answer is found in a distinctly conservative vision of criminal justice.

Victims or Victimizers?

While the liberal vision emphasizes the goodness of man, the conservative view offers a different perspective—one that radically affects criminal justice policy.

In 1976, Dr. Stanton Samenow published *The Criminal Personality,* the result of 17 years of clinical analysis by Samenow and his late partner, Dr. Yochelson. Their surprising findings directly challenge the liberal humanitarian theory.

Samenow and Yochelson studied the personalities of 250 offenders of various races, and economic and environmental backgrounds, spending as many as 8,000 hours with some of them. They concluded that they could find no easily definable social or economic causes for criminal conduct. Their report argued that modern sociological explanations of crime have served only to buttress the criminal's view of himself as the 'victim' of his feelings, his family, his environment, or his economic status.

It should be noted that when Samenow and Yochelson began their research, they held the conventional liberal view that criminals were merely victims of deprivation. Samenow wrote:

> People viewed the criminal as somebody who really was a victim of circumstances, if you could just teach him so he could find his way into the mainstream of society. That was all that was necessary. I don't think we quarreled with much of that, but that turned out not to be the case.... We found with our people that they rejected the schools and their parents and the responsible forces around them before ever being rejected by them. In other words, they were more victimizers than the victims.

The Criminal Personality places responsibility for criminal behavior on the criminal himself. Criminals are not crazy or otherwise environmentally deprived or depraved, or at least no more so than the general population. They simply *choose* to be criminals—and thus they themselves are the cause of crime, not society.

Thus far we have viewed the rehabilitation of such offenders as a myth. But it is a fallacy only in terms of the *means* by which liberal thinkers believe it can be achieved. Samenow and Yochelson found that rehabilitation of the criminal is possible; criminals *can* be changed. It is, however, not by exterior forces, but by an interior act of the will, what Samenow called "the deliberate conversion of the offender to a more responsible lifestyle." He emphasized that this conversion might be either a religious or nonreligious experience.

This is what motivates our work at Prison Fellowship. We know that inmates are changed not by their confinement, but by choosing a new way of thinking and living—a new character, if you will. We offer them that alternative in the form of the Christian gospel. I know about the dramatic life-changing power of this type of inner conversion; I've experienced it.

Personal Responsibility and Accountability

Whatever Samenow and Yochelson's initial intention, they succeeded in outlining a conservative or "constrained" view of human nature. Men and women, though having essential dignity and value, are predisposed toward evil choices. As Thomas Sowell writes, "For those with the constrained vision, people commit crimes because they are people—because they put their own interests or egos above the interests, feelings or lives of others."

This happens, not so incidentally, to be the Judeo-Christian view of nature. Crime is one of the manifestations of

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man's fallen state. Augustine in his *Confessions* gave perhaps the classic teaching on the nature of crime:

> . . . I willed to commit theft, and I did so, not because I was driven to it by any need . . . For I stole a thing of which I had plenty of my own and of much better quality. Nor did I wish to enjoy that thing which I desired to gain by theft, but rather to enjoy the actual theft and the sin of theft.
>
> In a garden nearby to our vineyard there was a pear tree. . . . Late one night . . . a group of very bad youngsters set out to shake down and rob this tree. We took great loads of fruit from it, not for our own eating, but rather to throw it to the pigs; even if we did eat a little of it, we did this to do what pleased us for the reason that it was forbidden.
>
> . . . Foul was the evil, and I loved it.

Some modern scholars mock Augustine. Here, they say, is a man who was a philanderer and a heavy drinker. Surely he could think of more heinous sins than stealing a few pears from a neighbor's tree. But they miss the point. The fruit, Augustine wrote, "was desirable neither in appearance nor in taste." Man sins not because of outside influences or factors beyond his control, nor even primarily to satisfy his own needs or desires, but simply because he *chooses* to sin.

This concept of individual moral responsibility leads to an idea of justice very different from the "humanitarian" view. The first goal of criminal justice becomes punishment rather than rehabilitation. Though modern sociologists take offense at this idea of retribution, it is essential: If justice means getting one's due, then justice is denied when deserved punishment is not received. And ultimately, a lack of punishment undermines one's role as a moral, responsible human being.

C. S. Lewis summed this up in his essay "The Humanitarian Theory of Punishment," which assails the view that lawbreakers should be "cured" or "treated" rather than punished: "To be punished, however severely, because we have deserved it, because we 'ought to have known better' is to be treated as a human person made in God's image."

Learning from the Old Testament

The issue, then, is not *whether* society is to punish, but *how* it is to punish.

Unfortunately, we are left with a technique of punishment (prison) that was created to serve a fundamentally liberal vision of human nature, crime, and justice. Our only option, it seems, is to warehouse more and more criminals in the decaying remains of a failed liberal experiment. But, as we have seen, prisons are prohibitively expensive to maintain, and neither reform offenders nor protect society. They give no benefit to any of the parties involved in a crime—the state, the criminal, or the victim.

This is not to argue that we do not need prisons; in order to protect society, dangerous criminals must be locked up. But one of the most startling facts about America's burgeoning prison population is that half of the inmates are incarcerated for nonviolent offenses! Does it really make sense to jam prisons full of embezzlers, check forgers, petty thieves, and the like?

Prison Fellowship photo by Gary Fong

Restitution offers the criminal a means to restore himself—to undergo a real change of character.

Why should taxpayers be forced to pay exorbitant amounts to keep nonviolent criminals sitting in prison cells, where they become bitter and more likely to repeat their offenses when they are released? Instead, why not put them to work outside prison, where they could pay back the victims of their crimes? Why not initiate work programs—restitution, that is—making a criminal in some manner pay back a victim for his loss? Examples of this approach to punishment can be found as far back as Old Testament law. The thief who stole an ox was required to pay his victim five head of cattle; innovative judges, on a small scale, are beginning to make use of this principle once again today.

The most obvious benefit of this approach is that it takes care of the victim, the forgotten person in the current system. Those who experience property crime deserve more than just the satisfaction of seeing the offender go to prison. As my colleague Daniel Van Ness, president of Justice Fellowship, has put it,

> . . . All the legal systems which helped form western law emphasize the need for offenders to settle with victims. The offense was seen as primarily a violation against the victim. While the common welfare had been violated and the community therefore had an interest and responsibility in seeing that the wrong was addressed and the offender punished, the offense was not considered primarily a crime against the state as it is today.

Second, restitution offers the criminal a means to restore himself—to undergo a real change of character. Mere

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imprisonment cannot do this, for nothing can destroy a man's soul more surely than living without useful work and purpose. Feodor Dostoevsky, himself a prisoner for 10 years during czarist repression, wrote, "If one wanted to crush, to annihilate a man utterly, to inflict on him the most terrible of punishments . . . one need only give him work of an absolutely, completely useless and irrational character." This is exactly what goes on in the "make work" approach of our prisons. And it is one of the contributing factors to prison violence.

In many cases, aggressive restitution programs would be a greater deterrent than the threat of prison.

But working with the purpose of paying back someone you have wronged allows a criminal to understand and deal with the real consequences of his actions. The psychologist Albert Eglash argues that "restitution is something an inmate does, not something done for or to him. . . . Being reparative, restitution can alleviate guilt and anxiety, which can otherwise precipitate further offenses."

Third, restitution would be far less expensive than the current system. Experience shows that the cost per prisoner can be as low as 10 percent of that of incarceration, depending on the degree of supervision necessary. Removing nonviolent offenders from prison would also relieve overcrowding, eliminating the necessity of appropriating billions more public dollars for prison construction.

But would restitution deter crime with the same effectiveness as prison? Prisons themselves have not done much of a job when it comes to deterrence. Nations with the highest incarceration rates often have the highest crime rates. But studies of model restitution programs demonstrate that they greatly reduce the incidence of further crime, since they restore a sense of individual responsibility, thus making the offender more likely to be able to adjust to society. Reducing recidivism is the most direct way to reduce crime.

Criminal justice authorities also tell us that it is not so much the type of punishment that deters crime, but rather the certainty of punishment. Van Ness comments, "With respect to deterrence, virtually any sanction, imposed swiftly and surely, has a deterrent effect. An effectively run restitution program, therefore, will deter."

I believe that in many cases, aggressive restitution programs would be a greater deterrent than the threat of prison. I remember talking in prison with a hardened convict who had spent 19 of his 38 years locked up. He was in for a heavy narcotics offense that drew a mandatory life sentence. "How in the world could you have done it?" I asked.

"I used to be a rod carrier," he answered, "on the World Trade Center building—80 floors up, getting $18 an hour. One misstep and I was dead. With hash I could make $300,000 a week. One misstep and I was in prison. Better odds."

The immediate payoff of crime is so great that many are willing to risk prison. But the certainty of restitution, by requiring payment, takes the profit out of crime. I would advocate restitution far beyond the money gained by a particular crime; the assets of organized crime members and heavy narcotics dealers, for example, could be seized at arrest and confiscated on conviction, with the offender ordered to make further restitution through work programs. That is real punishment.

But what about violent and dangerous criminals? Restitution won't protect the public from them. Don't we still need prisons?

Sadly, the answer is yes. But we don't need them to perpetuate a liberal myth about "curing" people, but rather to isolate dangerous offenders just as society quarantines those with communicable diseases. As William F. Buckley, Jr., has argued, punishing nonviolent criminals outside of prison in community-based programs will make room in our overcrowded prisons for the violent. Prisons are an increasingly scarce resource; they should only be for the dangerous.

Beyond Liberal Myths

Crime is the result of morally responsible people making wrong moral decisions, for which they must be held accountable. The just and necessary response to such behavior is punishment, which may include restitution for community service, stiff fines, or, in cases where the offender is dangerous, prison. But let's not kid ourselves any longer. Prison isn't to cure the individual. It's to lock him up.

President Reagan got to the heart of the issue when he said in 1981:

> Controlling crime is . . . ultimately a moral dilemma—one that calls for a moral, if you will, spiritual solution. . . . The war on crime will be won only when our attitude of mind and a change of heart takes place in America, when certain truths take hold again and plant their roots deep in our national consciousness, truths like: right and wrong matters; individuals are responsible for their actions; retribution should be swift and sure for those who prey on the innocent.

But we continue building more prisons and filling them up in blind obeisance to liberal theories of criminal justice. Why?

I think it is because we have failed to discern the difference between prisons and punishment. Many well-meaning conservatives have fallen for lock-em-up rhetoric; and admittedly those kind of speeches—I know, because I used to write them—can be used to whip the public into a fervor. But conservatives who do this miss the point. They are subtly being taken in to embrace one of America's greatest liberal myths.

As long as this mind-set flourishes, a conservative idea of justice cannot. And it will be you and I who suffer the real punishment: $80,000 per cell for new prison construction, and spiraling crime and recidivism rates as well. ☎

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AVERTING DISASTER IN THE PHILIPPINES

What Government and Army Must Do to Defeat the Communists

RICHARD G. STILWELL

The Communist insurgency in the Republic of the Philippines has long since recovered from its temporary setback when President Marcos was overthrown in early 1986. It now presents a very grave and growing threat to that nation and neither the incumbent political leadership nor the armed forces are taking the steps necessary to avert the danger of an ultimate Communist takeover.

The Communist Party of the Philippines (CPP) is the only force in the country that has its act together. Its military component, the New People's Army (NPA), is growing only slightly less rapidly than during the later years of the Marcos regime; according to latest reports, its full-time soldiers number 26,000, up from 24,000 only a few months ago. All ranks are well-trained, highly motivated, and tightly disciplined—in sharp contrast to most of the government's troops.

But much larger and more dangerous than the visible New People's Army is the associated—and largely covert—political apparatus that has steadily increased its power in the countryside. Secret party structures now control roughly 30 percent of the country's rural villages, or *barangays*, with greatest strength in southern Luzon, eastern Mindanao, Samar, Negros Occidental, and parts of Leyte. Moreover, the CPP has penetrated all levels of government and is increasing its base in the cities, particularly the Tondo slum in Manila.

The Communists also operate openly through the National Democratic Front, an umbrella for 40 to 45 organizations including the Bayan political party, the May First Movement (the nation's second largest trade union federation), and Christians for National Liberation (representing perhaps 10 percent of the Catholic clergy, with special strength in the social action bureaucracy that disburses church assistance monies).

The CPP political apparatus benefited greatly from the almost complete disruption of the nation's administrative structure that followed the Marcos' overthrow. President Aquino summarily removed all elected officials in the 73 provinces (some 2,000 governors, mayors, and municipal councilmen), together with most of their staffs; appointed temporary replacements pending local elections in May 1987; and then aggravated the hiatus by postponing the elections until next January. Whether unwittingly or not, her first Minister of Local Government, Aquilino Pimentel (long since forced to resign), put into key local positions a number of Communists and Communist sympathizers who have allowed the NPA to operate freely in their areas.

An excellent gauge of CPP control in the countryside is the number of individuals and enterprises who must pay taxes to the Communists in order to do business. Accurate information on this is unavailable—corporations such as Coca-Cola do not normally reveal whether they have to pay protection money to keep their trucks on the road—but a conservative estimate of the net to the CPP is at least $1 million a day. The latest edition of the *Encyclopaedia Britannica* states: "Even on the outskirts of Greater Manila, it was a rare fishpond owner who did not pay tax to this rival government."

The CPP is now in a stronger military and political position than were the Viet Cong in 1963. There were then 24,000 full-time VC fighters, with an unquantifiable supporting infrastructure, against which were arrayed a quarter of a million South Vietnamese combat forces backed by a massive U.S. military and economic aid program. The VC front organizations at that time were not nearly as well developed, as well supported, or as free to operate as are instrumentalities of the National Democratic Front in Manila and elsewhere.

Popular Grievances Unaddressed

Defeat of the Communist threat requires, above all, political leadership. But within the Philippine national government, there is no consensus on the nature and methods of the Communist insurgency, and therefore no consensus on how to combat it.

RICHARD G. STILWELL, *General U.S. Army Retired, was Commander in Chief, United Nations Command, Korea (1973-1976), and Deputy Under Secretary of Defense (1981-1985). His first-hand experience in dealing with Communist insurgencies includes the provision of discreet support to the Magsaysay-directed campaign against the Huks in the early 1950s; development of the initial U.S. Army counterinsurgency doctrine; and multiple senior-level assignments in Vietnam and Thailand from 1963 to 1969.*

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Wide World Photos

Communists in the Philippines are now stronger militarily and politically than were the Viet Cong in 1963.

The CPP freely employs terror and coercion as it thinks necessary, but its main technique for developing mass support is the skillful exploitation of local grievances that it promises to set right. These grievances, all inherited from the Marcos regime but continuing under President Aquino, include the inequitable administration of justice; inadequate health services for disease control; correctable but uncorrected malnutrition; lack of potable water; uncompleted roads from farm to market; corruption in local officials; and, in some regions, an unsatisfied popular hunger for land ownership. Until these local grievances are addressed, Communist rhetoric will go unchallenged, the covert infrastructure will remain in place, and the insurgent advance will continue.

Thus the Philippine officer corps—from General Fidel Ramos downward—is understandably frustrated by the prevailing view in President Aquino's government that dealing with the New People's Army is basically the job of the military. On a trip to Mindanao this past August, I found no evidence of coordinated civil and military activities, nor any efforts to achieve any unity in the future. This is no way to fight a guerrilla war. Successful counterinsurgency must involve the full range of government services—political, economic, social, and informational as well as military—blended and proportioned to best meet local needs.

While effective security operations are indispensable in defeating the Communist threat, their function is one of support only. From 1951 to 1954, an earlier Communist insurgency in the Philippines—the Huks—was defeated through disciplined military action and sophisticated intelligence and counterintelligence operations. But these were made possible by the top-priority attention of Ramon Magsaysay (then Secretary of Defense) to local grievances, and effective civic action and information programs—all combining to demonstrate to the citizenry that the government was responsive to its concerns. It is precisely this top-priority government attention that is most lacking in the Philippines today.

Failures of Military Leadership

The failure of leadership in the Philippines is not exclusively at the national political level. The Armed Forces of the Philippines are *not* now capable of discharging their appropriate role in an overall counterinsurgency program. Their weaknesses are partly a legacy from the Marcos regime, during which corruption became a way of life and promotions and assignments were based on political cronyism rather than professional ability. They are partly attributable to inadequate funding today, but there is much more the Armed Forces could be doing with available resources.

The Philippine military establishment has quadrupled in size since 1972, and for most of the past 15 years it was trained, deployed, and committed to an entirely different type of war than the one it now must wage. The Armed

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Forces successfully defeated Moslem rebels in the south through a combination of conventional warfare and international political pressure against the Moros' Libyan supporters. Those forces, however, have not since been reindoctrinated and retrained for their role in internal defense.

Until local grievances are addressed, Communist rhetoric will go unchallenged, the covert infrastructure will remain in place, and the insurgent advance will continue.

The overall strength of the Army, Navy, Air Force, and Marine Corps is about 170,000, but only 30,000 troops (79 battalions averaging slightly less than 400 men) are directly available for counterinsurgency tasks. A counterinsurgency force of this size would be only minimally adequate even if it consisted of elite contingents. They are far from that.

Absence of Training

Perhaps the most severe shortcoming is the absence of rigorous, systematic indoctrination and training in the fundamentals of counterinsurgency. Periodic unit training is the precondition for effective operations, yet most battalions have not undergone a formal training cycle in several years; no battalions are now training at the National Training Center, nor are any scheduled for the future.

The consequences of this neglect are horrendous. Government troops initiate only about 2 percent of their encounters with the Communists. They suffer inexcusable losses in frequent ambushes. And, unable to apply force discriminately, they inflict unnecessary and counterproductive collateral damage on civilians.

By ignoring training, the Armed Forces of the Philippines have failed to imbue the average soldier with the imperative that he is the visible symbol of good government in the countryside. Flushing out guerrillas is only part of the mission of the soldier in a counterinsurgency. Just as important is disciplined deportment toward the civilian population, which must be convinced that government troops are their friends and protectors. During the war against the Huks, Magsaysay established a complaint office directly responsible to him to ensure that any malfeasance toward civilians by any member of the Armed Forces was immediately reported and checked. No such message is being drilled into Philippine soldiers today.

The need to commit the bulk of combat forces to territorial defense is indisputable. But the leadership claim that there is no scope to cycle even one battalion at a time for training does not stand analysis. Training must have equal priority. Failure to master the what, why, and how of mission accomplishment dooms the Philippine Armed Forces to qualitative inferiority and operational ineffectiveness. The New People's Army, which takes training and indoctrination seriously, is able to hold most of its forces in reserve and drills them assiduously.

Key Tactical Deficiencies

Apart from training, the Philippine soldiers lack other combat-essential support. Simple ration-packs would enable soldiers to feed themselves in an operational environment. But instead of ration-packs, funds are simply given to unit commanders for local procurement. This deficiency practically precludes field operations in uninhabited areas, limits any operations to one or two days, and leads to the security compromise of even those short-term operations. The problem is aggravated by the absence of a rigorous inspection and audit system; there is no guarantee that soldiers actually get the food that the funds are supposed to provide.

Medical support is atrocious. Doctors are not generally available below division level; few companies have adequately trained medical aidmen; most of the aidmen do not have the rudimentary items for emergency treatment of casualties pending evacuation; and evacuation capabilities are minimal. There are no benefits for death in the line of duty. The unfortunate result, as one combat officer told me, is that many units will do everything possible to avoid getting casualties.

Personnel and logistic support are underfunded and inefficient. Much of the soldiers' field clothing and equipment is of inferior quality. Maintenance, particularly of mobility equipment, is poor by any standard.

Precise, timely intelligence about the enemy—so essential to effective and responsive operations—is sadly lacking. In most cases, this kind of information can only emanate from the local populace, directly or through agents. That it is not forthcoming indicates either ineptitude on the part of intelligence personnel or lack of civilian/military cooperation. In either case, it contributes to the defensive mode of the armed forces, who suffer disproportionate losses as they react to Communist initiatives, and whose own initiatives are all too frequently set piece operations that strike into empty air.

Strategic intelligence appears to be little better. There is no current capability to target the CPP leadership.

Honasan's Revolt

Factionalism and disgruntlement are also rampant within the senior ranks of the officer corps. The corruption and cronyism of the Marcos years have not yet been eliminated, causing serious demoralization among professional officers. Today, no one gets adequately punished for malfeasance or command failure in combat.

To make matters worse, perhaps as much as half of the officer corps sympathizes with the revolt by the recently apprehended Colonel Grigorio Honasan against President Aquino and General Ramos. Colonel Honasan has made many useful criticisms about the conduct of the counterinsurgency, but, as a military professional, I cannot condone his methods. The proper avenue for the disgruntled military officer is to resign, go on television, even form

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a political party; but it is intolerable to organize a mutiny.

The Philippine Constabulary, the only component of the Armed Forces with powers to arrest and detain, suffers from deficiencies comparable to those of the Army and Marines. Morale and operating efficiency are further damaged by a series of presidential edicts that impose stringent new requirements and time limits for arrest and detention of members of the Communist infrastructure, while making rebellion a bailable offense.

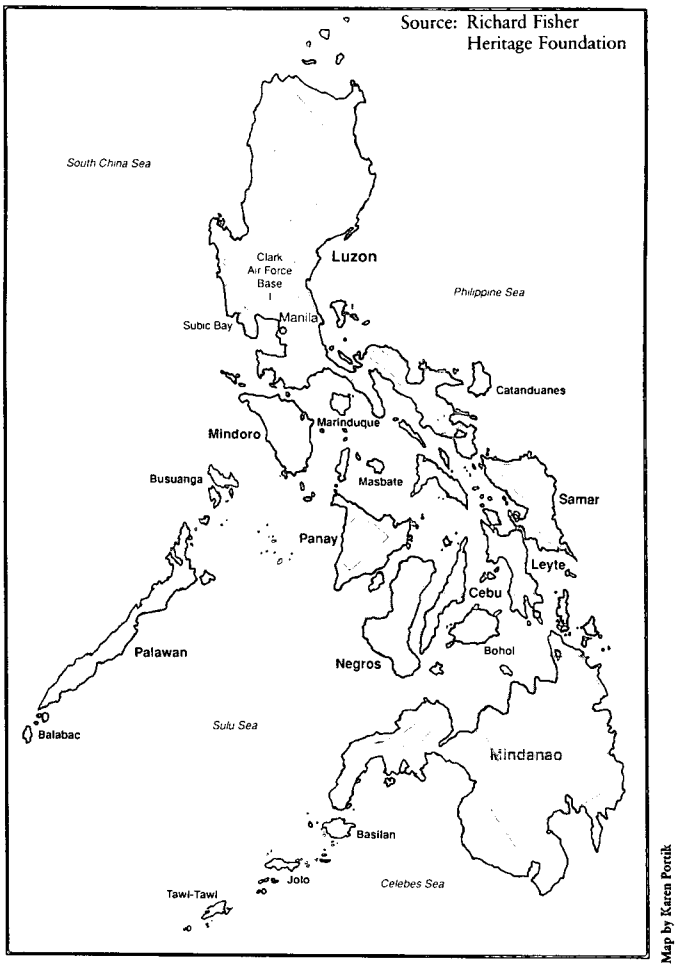
The third element of the security apparatus—complementing the Armed Forces and police—is in equal disarray. This is the Civilian Home Defense Force, a type of militia that is provided training and weapons by the Army and a per diem by the government when on duty. In concept, the members of this force are supposed to be native to the *barangay* and responsive to the *barangay* chief. Although difficult to discipline and control, this type of local security is an absolutely vital component of any counterinsurgency program, either to prevent the entry of agitprop teams that initiate Communist takeovers or to provide local defense for *barangays* liberated from Communist control.

Because of past abuses, the new constitution mandates the disbandment of the Civilian Home Defense Force and its replacement by an organization to be created and controlled by the Army. While there are plenty of Army reservists who could fill the bill, available funding will permit only a fraction of the current strength of the militia to be called to duty, and many would not be native to the *barangay* of assignment, thus vitiating their usefulness. Given the uncertain future of the militia, a considerable number of communities have taken matters into their own hands and created extralegal paramilitary units, some armed and some not. Known generically as "vigilantes," they are a mixed blessing: in the short term, a welcome augmentation; but in the longer term, a potential source of problems as they are generally not responsive to duly constituted authority.

The Coming Disaster

All this leads to a gloomy assessment. The CPP is pursuing a sophisticated, multidimensional strategy; the Philippine government has yet to implement—or even develop—a comprehensive counter-strategy. Historical experience suggests that a force ratio of at least six or eight to one is needed to defeat insurgencies of the Maoist pattern. With almost as many guerrillas as government counterinsurgency troops, the CPP therefore enjoys an overwhelming quantitative advantage, to which must be added qualitative advantages in discipline, motivation, training, and intelligence. If current trends continue, the CPP will steadily increase its control of the rural areas while infiltrating and destabilizing the urban areas, with Metro Manila the ultimate target.

A Communist takeover in the Republic of the Philippines would be disastrous for the people of that beleaguered country, possibly ushering in a reign of terror on the order of the Khmer Rouge. It would raise grave new security concerns in Malaysia and Indonesia, and probably force them to reach some accommodation with the Soviets. It would dramatically change the balance of power in East Asia, and put the Communists in a position where



Major Sites of NPA Activity

they could render untenable our lines of communication to the Middle East and to our ASEAN partners. And, for democratic government to fail in the one former colony of the United States would have a major impact on world perceptions about American power and American political values.

America's Obligation

While quelling the insurgency is basically a Filipino problem requiring actions that are Filipino in design, auspices, and conduct, the United States has a solemn responsibility to do everything in its power to insure that the Philippine government not fail in that task. The resources potentially available in the American official and private sectors—and in other friendly nations as well—are enormous. I cite the private sector, not wistfully, but seriously. Millions of dollars have recently been donated for food to drought-stricken Africa, including huge shipments to Communist nations. We ought to be able to do much more for our firstborn child under threat of totalitarian takeover.

The dilemma is that the kind of assistance needed and available cannot be meaningful and productive unless it complements and reinforces a comprehensive Filipino counterinsurgency campaign. This still has not been blue-

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Wide World Photos

Ramon Magsaysay defeated the Communist Huks through political as well as military means.

printed. Clearly, a first imperative is to convince President Aquino to make defeat of the insurgency the #1 national priority—not simply by fiat but by substantive directives and actions that engage all governmental departments, and—most importantly—rally and harness the body politic to that effort. The essential features of such a national game plan are an unmistakable expression of national resolve; establishment of effective interdepartmental management and/or command arrangements at all levels (someone in clear charge); reallocation of resources and cutbacks in less essential programs; enunciation of regional/provincial priorities; recognition that the difficult work of detailed planning and execution can only be done at the provincial and lower levels with full support and delegated authority from the national level; and clarification of the relationship between civil, police, and military authorities.

If this can be accomplished—and it must—the next step is to develop a responsive U.S. interagency assistance program, starting with the recommendations of the U.S. Diplomatic Mission in Manila and the Pacific Command. Perhaps we have the rudiments of such a program, probably not. We have in place the command arrangements and capabilities to react immediately to external aggression against the Philippines if authorized by our president and Congress; we are not nearly as well prepared to come to the aid of an ally threatened from within.

A Strategy for Victory

There is much to be done in the security assistance area to restructure, reorient, and retrain the Philippine ground forces and Constabulary for effective counterinsurgency operations. At the outset, two understandings must be reached with the Philippine military establishment. The first is agreement on the maxim that a high technology and firepower-dependent force will always lose to the guerrilla. The second is that the Armed Forces will apply in field operations the counterinsurgency doctrine so well-taught in the officer school system (and so well-practiced during the Magsaysay campaign against the Huks). This requires:

- Making training top priority, cycling all combat units through a formal training program that concentrates on the basics, and conducting special intensive courses, practical and hands-on, for junior officers and NCOs as small unit actions will be the rule. All ranks must be indoctrinated in the what, why, and how of operations to safeguard the people.
- Convincing all ranks that intelligence is everybody's business, increasing the professionalism and expanding the corps of intelligence officers, honing the capabilities of the Police Special Branch, developing a national fusion center, and ensuring maximum intelligence cooperation among Army, Constabulary, and local civilian organizations.
- Developing a logistic support system that provides the combat soldier, at all times, his basic essentials: a proper combat ration for operations, adequate personal gear, working communications, operable small arms, and responsive medical attention.

Budgetary strictures in both Manila and Washington and the special 90-year relationship between our two countries point to the desirability, feasibility, and importance of augmenting contributions from the Philippine and American nongovernmental sectors. Regrettably, the Philippine entrepreneurial sector is not pulling its weight today. It has extensive resources; it must be harnessed. Many U.S. private organizations have counterpart organizations in the Philippines. There is so much that both can do with funds, materiel, and even volunteers to address local grievances and needs in the areas of health services, improved agricultural productivity, enhancement of basic village skills and cottage industry, extension of potable water supplies, to name a few. The massive program underway under the auspices of the Rotary Club to support expanded immunization programs in the Philippines could well be a model. If our public understands the urgency of the situation, it will respond.

Lacking the capability to target the political leadership of the CPP, it will be a long and hard campaign. But it can be won, if the two governments have the resolve and can synchronize their efforts.

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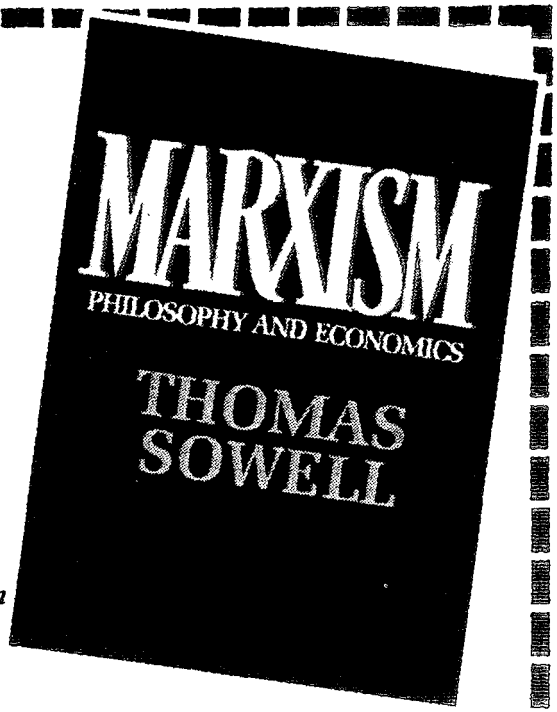
Shattering the Myths of Marxism



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America's Favorite Whipping Boys

Both Left and Right Misrepresent the American Military

Tom Clancy

The American military hasn't done anything right since the Inchon landing. It was unable to win in Korea, lost Vietnam completely, and had more than 200 Marines killed at Beirut through military incompetence—not to mention what happened to USS *Stark*—and barely managed to knock off a few hundred Cuban construction workers in Grenada. It's equipped with weapons that cost millions but don't work terribly well, if at all.

The Russian military is the most formidable in the world, lavishly equipped with more tanks, guns, ships, and aircraft than the rest of the world combined—all of which, being nice and simple, work quite well, *spasivo*—designed with one single task in mind: the utter destruction of Western culture.

At least, those are the two views we hear from the political Left and the political Right, respectively. Together, these views form an unholy—not to say illogical—alliance between the Left and Right, resulting in a distorted view of the world balance of power that is as grotesque as it is damaging. In both cases, the distortion results from a fundamental lack of understanding based on a combination of intellectual laziness and ideological preconceptions that do not allow for the objective examination of evidence. Both sides are equally guilty.

Waiting for a Strategy

The American military—at least the service I know best, the Navy—is the most capable in the history of the world. That's not the same as "perfect," by the way, and in any case the effectiveness of any country's military is, in isolation, totally irrelevant. An army or a navy is a tool of national policy. Like any tool, a military establishment must have a purpose other than mere existence. When used, it is supposed to have a clear mission, preferably a mission that bears some semblance to its design. Anyone can use a wrench to drive a nail, and many do, but a hammer is better suited to the task. It is wrong and downright foolish to blame a wrench for not driving a nail well.

This has not recently been true of the U.S. military. One might remember that Korea was actually a success, even after Inchon. The mission of the U.S. Army was to prevent the conquest of South Korea by the Communist North. In view of the fact that the republic of Korea has just had democratic elections, it is reasonable to observe that the mission was accomplished. Vietnam was a different matter entirely, however.

Blaming the Pentagon for Vietnam is akin to blaming surgeons for cancer deaths. On being assigned the mission of preventing the conquest of the Republic of Vietnam, the service chiefs drew upon their professional experience and made their proposals for carrying out the task. It was not their fault that their advice was not heeded. They got the blame, of course, but armies rarely choose their missions and almost never choose constraints on carrying them out. A severely ill patient who ignores his physician's advice will probably die, and even in contemporary society his heirs probably cannot sue successfully for malpractice; yet this is precisely what happened in Vietnam, and the blame carries on to this day.

Disarmament as "Military Reform"

People on the left look at Vietnam as the vindication of their political views: We failed, therefore we should never have gone; therefore we should never attempt anything even vaguely similar to Vietnam. (It is singularly ironic that the same politicians look fondly upon domestic programs founded by the same president who gave us Vietnam, but this is not the place to discuss what the Great Society has done to the American poor.) In supporting this political view, they find the reason for failure in the military itself. There are, I regret to observe, individuals on the political scene who would rather trash our young people in uniform than hug their own kids. Nothing is too small to ridicule. The stories of the overpriced hammers and toilet seats are repeated until they become as permanent as the figures on Mount Rushmore, despite the fact that they are inaccuracies at best, and outright lies at worst.

The Left has even sprouted its own "military reform" movement. It is noteworthy, first of all, for its single consistent thread: the weapons they oppose have real offensive capability, and those they suggest have none at all. Three examples are diesel-electric submarines versus nuclear ones, small carriers versus large ones, small, short-range

Tom Clancy *is author of* The Hunt for Red October, Red Storm Rising, *and* Patriot Games.

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What distinguished Grenada from Vietnam and Beirut was a clear mission and the delegation of command authority to the men on the scene.

fighters versus large, long-range ones. Every submarine officer I know has served aboard or commanded a diesel submarine; they *all* think that nuclear is the way to go. Had Great Britain retained full-sized carriers—or even just one—capable of power-projection instead of replacing them with smaller, less capable ships, the Falklands War would never have happened. The Israelis say the big, long-range F-15 Eagle is the best fighter in the world.

What objective evidence are the "reformers" looking at? The people who actually do the work don't seem to agree with their data. Their objective, therefore, appears to be ideologically based: if we remove America's capacity for taking war to the enemy, the threat that America poses to world peace can thus be reduced. Unable to make this statement openly, they propose that their weapons systems are superior, blithely contradicting the people who actually use them on a day-to-day basis.

Blaming the Military First

But what really galls me are the attacks on the men and women of our armed forces. They're stupid, the Left puts it bluntly. The commander of the Marines at Beirut was yet another example of military incompetence. We are supposed to believe that he chose to be at that precise spot, to have that precise mission (whatever it was), and decided that it was the militarily prudent action not to have his sentries load their rifles. That doesn't sound like any Marine I know. Nor did any fighter-bomber pilot in Vietnam ever decide that it was improper to attack a SAM site under construction (or MiGs on the ground), but rather to give the enemy the chance to complete it (or take off) before attacking, to make things more sporting.

The most recent example is USS *Stark*. The captain could have done better, but he did not choose to be in a war zone with an equivocal mission and rules of engagement that required him to be at war, and at peace, at the same time. One might also note that Lieutenant (j.g.) John F. Kennedy, USNR, was decorated after losing his command under more favorable tactical circumstances, while Captain Glenn Brindel lost his career even though he saved *his* ship.

Any military formation, regardless of its quality, can be undone by orders imposed from above. You cannot fault a soldier, sailor, or airman for trying to obey orders, no matter how inappropriate, that are issued by a duly constituted civilian authority. The alternative, remember, is incompatible with American democracy.

Grenada, for all its faults as an operation, is an illustration in contrast. The mission was to rescue American students and neutralize the government forces of that small island. Despite only a few hours of preparation and the consequent lack of good intelligence information, the mission was carried out rapidly, with minimal loss of life to friendly forces. What distinguished Grenada from Vietnam and Beirut, however, was a clear mission concept and the delegation of command authority to the men on the scene. The result was success.

The Left, doubtless upset that our military did something right, again resorted to ridicule. The enemy, we are told now, were construction workers—whose shovels were apparently manufactured by Kalashnikov—who might as easily have been handled by a troop of Cub Scouts. The helicopters shot down were not lost to a few competent enemy gunners using effective Soviet weapons, but to faulty American tactics. "Tomato-tom*ah*to," a member of Congress said for the C-SPAN cameras, "Grenada-Gren*ah*da: let's call the whole thing off." One's jokes are a measure of one's personal limitations, of course, but what I found especially offensive about this amateur comedian was that real guns were shooting real bullets at a friend of mine, a Navy helicopter pilot later decorated for rescuing 11 men whose UH-60 Blackhawk was snuffed out of the sky by the 23mm "shovels" of some Cuban "construction workers." As much as the political Left (and its pet "reform" movement) claims to desire an effective military, it invariably shrinks from acknowledging that we might actually have one. Whipping boys are hard to come by, especially the kind required by oath to respect public

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officials. It must be quite a thrill to abuse those who cannot reply in kind because of their loyalty to the constitutional process.

Target *Kirov*

I wish I could report that the political Right takes a more realistic view of defense issues, but it just is not true.

In the past few years, I have been exposed to nearly every element of the American military, and it seems a great shame indeed that all the men and women I have met are doomed to death or (worse) capture by their Soviet counterparts at whatever time the Soviets decide to gobble up the rest of the world. At least that's the impression one gets. One can only conclude that all the sophisticated weapons we buy and all the fine young people we train are being bought and trained to lose.

A truly professional Soviet military might be more of a threat to the CPSU than to NATO.

If there is something about that idea that bothers you, you should be bothered. You should, in fact, be offended.

Practically everyone has seen a glossy color photograph of the Russian "battlecruiser" *Kirov,* usually with an ominous caption about how she (the Soviets call ships "he," by the way) is the most powerful, best-armed surface warship built in the past generation. Back in 1983 I showed such a photograph to a friend of mine, a former commanding officer (C.O.) of an American submarine. "Tom, you know what that is?" he asked. "That's a Navy Cross that hasn't happened yet. That is a *target.*" This view is shared by the skipper of every submarine in the United States Navy, and their main concern is that the British Royal Navy might get there first and spoil the fun.

The submarine community in the U.S. Navy and the Royal Navy, in both of which I have quite a few friends, is composed of the most indecently confident professionals one could ever hope to meet. If anything, the Brits exude—nay, radiate—even more confidence, and my reluctant observation is that, man for man, they are somewhat better trained than the Americans because of a different career track for their officers and less oversight from on high. They also are allowed to admit that they spend time at sea—our guys emulate the clam, while the Brits will tell the occasional story. I sprung my friend's line about *Kirov* on one of them a few years ago and got an even better reply: "Tom, do you know that *Kirov* has a great bloody bow sonar, that it ensonifies the whole bloody ocean, but it doesn't tell its operators a bloody thing!" When I asked how he knew this, of course, all I got was the Submariner's Smile. This is the facial expression that tells you, in this case: *There I was, two thousand yards off her port bow, with a firing solution on all four fish, and he didn't know I was there despite the fact that his worthless bloody sonar was hammering energy into the water.*

The submarine drivers in our Navy refer to the Soviet Navy as a "target-rich environment." The Brits are a bit more colorful.

So you have to ask yourself: why aren't American and British submarine captains properly terrified of the Soviet navy? Where does this confidence come from? *Can't they count?*

Know Your Enemy

The confidence comes from the fact that, unique among Western military forces, the submarine community operates against the Soviets on a daily basis. The U.S. Navy has "Top Gun," and the Air Force has a virtually identical operation at Nellis AFB. The Army has the National Training Center, an incredible facility at Fort Irwin, California. At all of these installations, designated "aggressor" forces emulate Soviet tactics and doctrine to teach our men to fight the most likely major enemy. The submariners, however, can and do conduct the same sort of operations continually—against the real thing. That's one advantage of being in international waters, and being invisible. They track Soviet surface ships and submarines, gather intelligence information of various sorts, and generally conduct themselves as though on war footing at all times. To a submariner, the only difference between peace and war is pulling the trigger.

Their confidence, therefore, comes from the best possible perspective. The first rule of war is that one should know one's enemy; the men driving the fast-attack submarines do, and they think they can win.

The Soviet navy and the Soviet military in general look formidable. Anyone can get information on the numbers of ships and tanks and aircraft. That's called "bean-counting." It is an entirely valid approach, as far as it goes, but there is more to evaluating an enemy than counting beans.

What one cannot count in KH-11 photographs is the competence of the "drivers." The most cursory study of military history demonstrates that the decisive element on the battlefield is generally not raw numbers. At Cannae, Hannibal annihilated the largest army that Rome had ever fielded with a force only half as large. In France, in May 1940, the Germans defeated an Allied army with more of almost everything, including more and better tanks. For a more recent example, look at what has happened every time the Israelis have taken on the Arabs. In each case (and there are hundreds), the decisive factor was a combination of a skilled commander and professional troops.

An army or a navy is not a collection of tanks or missiles. A fighting force is composed of *people.* A tank is only a piece of steel—without a crew it won't go anywhere. Without proper maintenance support, even a good crew can't take it very far. The French navy throughout history was composed of better-designed ships than the Royal Navy that consistently defeated it. "Better to have good men in bad ships," as a submariner told me last year, "than bad men in good ships."

It's the men who count. (Women count, too, of course, but they're not allowed in combat arms at this writing.) How good are the Soviet soldiers and sailors?

The Soviet army is the first in modern history that tries

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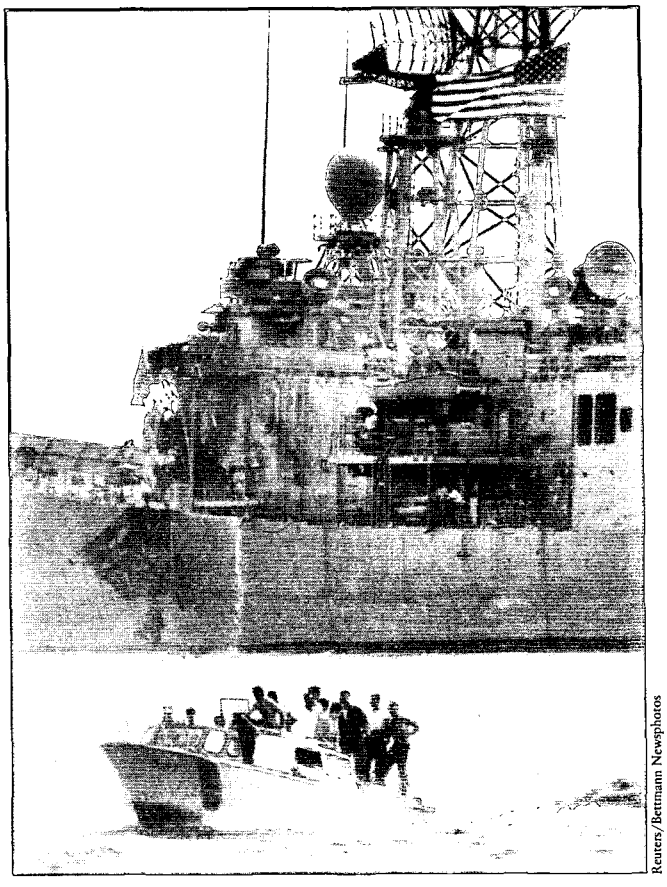
to function without sergeants. Oh, they do have "sergeants," but what that means is that early into the conscription period individuals are selected on the basis of intelligence and political reliability to go to sergeant-school. After a few months they are sent to their units—but like everyone else, at the end of their two years, they go home. (It's worth noting that nearly every adult Soviet male can be recalled to the colors as a reservist, but they receive no training after leaving active duty.) I need hardly point out that two years do not a sergeant make. It takes more like five. The point here is that sergeants make the armies of the world work, if they are to work at all—ask any professional officer; that fact goes all the way back to Caesar's legions in Gaul—but the Soviets do not have them in any real sense.

Sharp and Proud

When I go aboard a U.S. Navy ship, I am always struck by the same fact. You expect the officers to be sharp. They're all college graduates, exquisitely trained, and reasonably well-paid. What always surprises, however, is the quality of the enlisted personnel. The average age is 22 or so. Most are high-school graduates with their first job, and they've been in for about four years. Already they have more experience than their Soviet counterparts (the conscription period in the Soviet navy is three years, and two years in their army). These kids are sharp. They are proud. They know why they're out there. They all have responsibilities. If a radar breaks, some 21-year-old kid fixes it, probably with the advice of a senior petty officer or a chief. Enlisted men on our ships stand watches. I've seen a Signalman First Class conn (direct the course of) his ship as the Junior Officer of the Deck, and a Chief Petty Officer stand watch as Officer of the Deck, with a new ensign—that is, an *officer*—as *his* conning officer. That's called democracy in action.

By contrast, when a Soviet navy ship is underway, either the captain or the *starpom* (executive officer) is always on the bridge—and if they have a flag officer aboard, the admiral frequently rides the bridge and gives rudder orders. Think about that for a moment; it consistently astounds American officers. How much confidence do Soviet captains have in their junior officers (and how much do Soviet admirals have in their C.O.'s?), and how will a captain be an effective warrior if he spends 12 hours per day, *every* day sitting on the bridge?

If something aboard a Soviet ship breaks, generally an officer fixes it—he has to, because the sailors don't know how. As a result, the best way the Soviets have to make sure things don't break is not to use them. While American sailors conduct DSOTs (daily systems operations tests) every day, the Soviets for the most part don't even turn on their radars, much less their weapons mounts. Their "days out of port" numbers may look impressive, but what they mean goes roughly as follows: a Soviet warship leaves port, generally accompanied by a sister ship and a small oiler. The two warships take turns towing each other (good seamanship practice, and it reduces wear and tear on the engines) to wherever they're going. They may conduct an underway replenishment (UNREP)—not alongside as we do it, but over the stern, with the oiler towing the destroyer—and when they get to where they're going, they drop their anchors and sit for a month or two, then return home the same way. By comparison, the U.S. Navy generally plows along at 20 knots, and conducts its UNREPs alongside, not uncommonly with an enlisted man in charge. In short, the U.S. Navy spends quite a bit more time actually working then does its Soviet counterpart.



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USS Stark: Whipping boys are hard to come by, especially the kind required by oath to respect public officials.

Do the Soviets have good ships—yes, they do. They also have impressive weapons of all categories.

But so do we—though not as many—and we have people operating those ships and weapons who actually know their jobs. The Soviets generally do not.

So, how good are the Soviet armed forces? How good *can* they be? How good would our forces be if we operated under a similar system? How good would our submarines be if their at-sea time was cut by two-thirds? How effective would they be if they didn't train on their equipment every day? How much confidence would we have in a military in which only officers have professional experience?

Do the Soviets know the disadvantages under which they operate? Any American can subscribe to *Krasnaya Zvesda* ("Red Star") or *Morskoi Sbornik* ("Naval Digest"), and if you can read Russian, you can see what they say to and about themselves. They know.

Why, then, do the Soviets hamstring their armed forces, you ask? Think about it for a moment. Soldiers and sailors

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We have people operating ships and weapons who actually know their jobs. The Soviets generally do not.

the world over are not terribly different. They tend to be loyal to good leaders. If the Soviet military had real professional soldiers, they might start liking the officers over the party leaders . . . perhaps even enough to forget that they're supposed to be loyal to the CPSU . . . and the Soviet Army has a lot of guns . . . and even with the KGB's Third (Military-Oversight) Directorate to keep an eye on things, that worries the Politburo. A truly professional Soviet military might be more of a threat to the CPSU than to NATO.

I must assume that if I can get this information, either from reading it in the open media, or from unclassified conversation with our people in uniform, the same information is available to members of the House and Senate, to all the political lobbies and think tanks, and to the media. Why, then, has the reader probably never seen it in this way?

Defense issues are hard to cover in 10 column inches of a newspaper or 120 seconds of air time. Reporters in particular seem to lack anything resembling expertise in the defense area. (There are a few stellar exceptions, one of whom is John McWethy of ABC.) I have on several occasions offered to show TV journalists how to acquire the sort of knowledge I have—and it is not difficult. I have yet to get a response. Instead, reporters take prepackaged information, either from the Right or the Left, and merely repeat it.

Political Failure

Our political leadership is also failing. There can be no consensus on defense policy until our political leadership assumes its responsibility of debating—and ultimately answering—the following questions:

What are the threats to America and the West?

What is our national defense strategy to deal with these threats?

What is the mission of the U.S. military?

What do we expect our armed forces to do?

How do we expect them to do it?

A lack of proper answers to these questions is far more dangerous to world peace than the weapons everyone worries about. Wars usually start because one side misperceives the strength and intentions of the other. Overestimation of the enemy can sometimes be as dangerous as underestimation. If we are to assume that wars begin because of faulty or broken-down policy, it's time to ask how we expect to generate good public policy from skewed data, and perhaps to wonder just how dangerous poor data are to world peace. ☎

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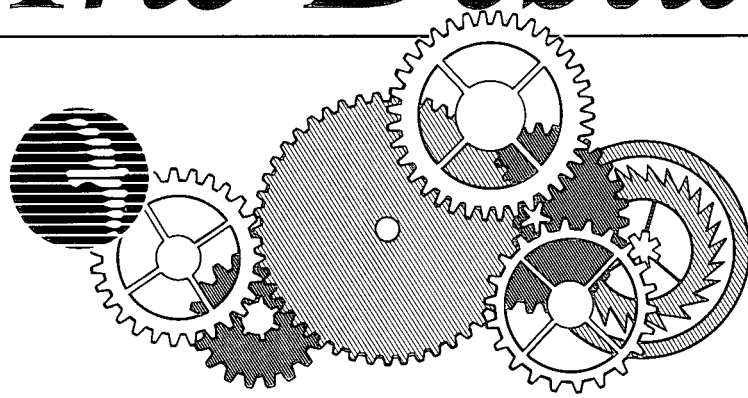
Ideas That Drive The Debate



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READING AMERICA THE RIOT ACT

The Kerner Report And Its Culture of Violence

THOMAS J. BRAY

Most presidential commissions, once they have finished their work, are promptly relegated to the dustbin of history. Their chief purpose is to give the impression of "doing something" about an intractable issue. But their reports are generally unread and their recommendations ignored. Soon nobody remembers that they even existed.

The National Advisory Commission on Civil Disorders—the "Kerner Commission," as it was called after its chairman, Illinois Governor Otto Kerner—seemed destined for a similar fate. The commission was formed in August 1967 to investigate the urban rioting of the mid-1960s. When its report was delivered to President Johnson in March 1968, it was given a cold shoulder by both the White House and Congress. Its recommendations were dismissed as "unrealistic."

Yet the Kerner Commission's work has had a much longer shelf life than most—literally as well as figuratively. Its report sold more than two million copies. And its basic conclusion, that "our nation is moving toward two societies, one black, one white—separate and unequal," is widely remembered as a prescient forecast of the split between mostly white suburbs and mostly black cities. Moreover, the report's demand for social programs on an "unprecedented scale" gave renewed momentum to the Great Society programs of the Johnson administration. At the time, a consensus had been building that the programs were a failure.

As a result, the Kerner Commission is looked back upon by many as a high-water mark of enlightened liberalism. But a rereading of the report suggests that "conspicuous compassion" (to borrow a phrase from Allan Bloom) would be a more apt description. Those who would celebrate the 20th anniversary of the Kerner Commission report this March need to judge its work not only by its intentions but by its results.

Settling for Conventional Wisdom

Far from offering fresh or interesting ideas for the future, the Kerner report stitched together most of the fashionable bromides of the time into an expensive wish list of social programs. Underlying the report was a hostility to markets, a patronizing attitude towards blacks, and a dewy-eyed faith in government's ability to "solve" problems. Perhaps most seriously, it had the effect of diverting attention from the very real problems accumulating in the black community, in particular the breakdown of the black family and growing welfare dependency. But such problems didn't easily fit into the worldview of the Kerner Commission, in which white racism was sufficient to explain the urban problems of the day.

The Kerner Commission had a splendid opportunity to jolt the country into thinking about fresh approaches to some old problems. Instead, it settled for conventional wisdom. Despite the efforts of some, such as Daniel Patrick Moynihan in his 1965 report on "The Negro Family," to raise these issues, a potentially constructive debate was foreclosed for the better part of two decades. Only now is frank discussion of crime, poverty, family, and welfare becoming possible.

The Kerner Commission was appointed by Lyndon Johnson in August 1967 in an atmosphere of crisis. Riots seemed to have become something of a fixture of the city landscape. The Watts upheaval of 1965 was the worst since the Detroit race riot of 1943, in which 35 died. The summer of '66 saw major disturbances in Chicago and Cleveland. The occurrence of more than 150 outbreaks of violence during the summer of 1967, capped by the spectacular riots in Newark and Detroit, seemed to confirm, at least in Washington eyes, that a new form of urban guerrilla warfare was taking hold.

Otto Kerner's dignified bearing and soothing baritone voice made him seem perfect for the role of chairman. (He later went to jail in an Illinois race-track scam.) But by most accounts he did little more than referee. The real activists among the commissioners were Roy Wilkins, executive director of the NAACP; New York Mayor John Lindsay, a silk-stocking Republican; and Senator Fred Harris, the Democratic "populist" from Oklahoma. Lindsay and Harris had presidential ambitions; both undoubtedly saw the commission as a golden opportunity for national exposure.

The whip hand belonged to David Ginsburg, a Washington lawyer who had served in the Office of Price Administration during the war and had worked in the Johnson

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Detroit, the scene of the worst riot, lost more than half its business establishments between 1967 and 1982.

White House on inflation matters. "When Johnson first called me in," recalls Ginsburg, "he was convinced that somebody had given an order for disruptions. How else explain rioting in so many cities?" But the commission found no evidence of a conspiracy and Ginsburg himself began to challenge the White House view that its War on Poverty had been sufficient.

"I'll never forget a visit we made to a black church in Cincinnati," Ginsburg recalls. "As we walked up the aisle, we were literally spat upon. The sense of frustration was so deep as we talked with the people, I began to get the feeling that government just had to do something."

Several staffers recall that Ginsburg was "radicalized" by his work. Ginsburg himself says that's too strong a word. But his staff was heavily weighted toward civil rights veterans, ex-Peace Corps field workers, and others filled with zeal for redeeming America. Only a half-dozen or so blacks, however, served on a staff that at times numbered more than 200. The principal writers of the report were Jack Rosenthal, now editorial page editor of the *New York Times*, and Robert Conot, now an editorial writer for the liberal *Los Angeles Times*.

The staff made clear, through press leaks about "White House interference" and subtle pressure on less malleable members of the commission, that it would brook no opposition to its historic mission. "I was assigned to a team to go to Detroit to investigate what had happened," recalls Bernard Dobranski, now dean of the University of Detroit Law School. "They were mostly Peace Corps types who wanted a radical restructuring of society. I was a little older—all of 27—with a wife and kids. I considered myself a liberal, but I just didn't think American society was quite as bad as they seemed to think. Before long I found myself gone from the investigating team and assigned to a writing job back in Washington. They just didn't trust me to come to the right conclusions."

After only eight months, the 426-page report was completed. Ginsburg's chief triumph was obtaining unanimity among the commissioners for the report. It was divided into three sections: "What Happened?," "Why Did It Happen?," and "What Can Be Done?" Not surprisingly, the supposedly objective reporting of the first two sections in fact reflected a highly ideologized view of the world. And this in turn affected the analytical and prescriptive content of the final section.

Racial Reductionism

The commission said it could find "no typical pattern" among the disorders. In the next breath, however, the commission asserted that "certain fundamental matters are clear. Of these, the most fundamental is the racial attitude and behavior of white Americans toward black America—white racism is essentially responsible for the explosive mixture which has been accumulating in our cities since the end of World War II."

The report gave the usual rendition of black woes. Middle-class migration to the suburbs left behind poverty-stricken cities with insufficient tax bases to support decent education or housing. Unemployment among black males was twice that of whites; "underemployment" was said to be even more severe. This, the report continued, led to family breakdown, a "culture of poverty" involving ruthless, exploitive relationships within the ghetto and high levels of crime. "Prostitution, dope addiction, casual sex

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affairs and crime create an environmental jungle characterized by personal insecurity and tension."

The report was particularly harsh on inner-city merchants. Noting that much of the riot violence was directed at local stores, the commission found "significant grievances" against unfair practices in 11 of the cities it studied. "It is probable that genuinely exploitative pricing practices exist in some areas," it concluded.

To expiate the sin of racism, a massive redistribution of income had to take place. The government was asked to create one million new jobs within three years and to raise the minimum wage significantly. Recommendations included the lifting of the freeze on rising welfare rolls, a sharp increase in benefits, massive federal effort to equalize school spending, and expansion of the government's "grossly underfunded" housing programs.

Underlying the Kerner report was a hostility to markets, a patronizing attitude toward blacks, and a dewy-eyed faith in government's ability to "solve" problems.

In the bid to eradicate the "social deficit," the prospect of a federal deficit was not to be worried about. Now that the federal government had learned to tame the business cycle, economic growth would provide "truly astounding automatic increases in Federal budget receipts," producing a "fiscal dividend" sufficient to pay the costs of all this.

Downplaying Black Progress

This lack of a sense of limits was matched by lack of perspective. The report left the unwary with the impression that things were growing steadily worse in the cities and that some sort of natural snapping point had been reached that could only be dealt with on an emergency basis. In many respects, however, things were getting better.

A solid black middle class was forming and beginning to move to the suburbs. Black unemployment had declined to 6 percent, a level that would be considered unbelievably low today. Poverty was declining at a historically rapid rate, thanks to the economic boom ignited by the Kennedy tax cuts.

Yet the report went out of its way to downplay the positives, possibly because the data would have disrupted the economic determinism that was the dogma of the day. Tabular material on unemployment, for example, presented only 1967 figures showing that black unemployment was nearly double that of whites. But it ignored Census and Bureau of Labor Statistics data that would have shown a decline from 10.7 percent in 1960. The unemployment rate of married black men was less than 2 percent, the same as for married white men.

Even more remarkable, as many black as white families moved out of poverty in 1963-1964, even though nine times as many white families were below the poverty line. Per capita income also was rising faster for blacks than whites. Similar comparable data is missing for poverty, health care, as well as other key social indices, all of which would have shown that blacks were better off, both relatively and absolutely, in 1967 than they were in 1960 and 1950.

The lack of support in the report for the commission's key conclusions about racism is striking. Throughout the report, racism is continually cited as the root cause of the disorders, and it undoubtedly played some role, yet the commission made no effort to show, through polls or other means, that whites were in fact growing more hostile to blacks. The passage of major civil rights legislation by Congress in each of the three preceding years would suggest the opposite.

What data there was to support the commission's conclusions on racism appears to have been confined to a footnote. Yet even that was less than convincing. In a survey of residents in riot areas, the note disclosed, "police practices" were cited as their most important grievance. Unemployment, housing, education, and lack of recreation facilities followed in order of importance. "White attitudes" was a distant seventh. Complaints about the adequacy of welfare were almost nonexistent.

Aimless Destruction of Property

Now, it is not entirely unreasonable to infer that "police practices" could be associated with racism. As the report stated, police departments of the time were visible symbols of white power within black communities. Stories of brutal behavior and harassment were common. It was not uncommon for whites to be brutalized and harassed, too, but there can be little doubt that racism existed even on the most professional police forces.

"Police practices" is a vague term that could have other meanings, however. A survey of black attitudes in Watts cited by the *New York Times* in September 1966 found that blacks there were more concerned about "police protection" than about "police brutality." Such neglect itself might be indicative of racism, but it probably had as much to do with dwindling city resources as it did malign intent. During the 1960s, crime rates in the inner cities were soaring after several decades of gradual decline. But the number of police officers wasn't rising in similar proportion, particularly in older industrial cities that were struggling to maintain their tax bases.

In Detroit, for example, where serious crime had more than doubled between 1960 and 1967, the police force had been expanded by only 3 percent. The cops there were notorious for their toughness. In 1926, the previous crime peak, they shot 46 people in "the line of duty." That number was dramatically lower in 1966—seven were killed in similar circumstances. Although there were still charges of abuses, black leaders actually gave the police department high praise for its fairness in quelling a mini-riot on the city's east side in 1966. And, at the time of the 1967 riot, a recall campaign was under way against Mayor Cavanagh for being too soft on crime.

The Kerner Commission's assertion that the riots re-

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flected long-standing, widespread grievances against the social order was also thinly rooted. Grievances there surely were. But the rioting generally was the work of young males aged 16 to 24. The commission found that up to 90 percent of arrestees had prior criminal records. How seriously should the social grievances articulated in these circumstances be taken?

Moreover, the disorders involved relatively small numbers of people—about 11 percent of the population in the affected areas in Detroit, for example. By contrast, about 16 percent of the people in the affected areas described themselves as "counter-rioters," working actively to staunch the disorders.

If racial hostility was the primary motivating factor, it wasn't easy to detect during the riots. Detroit's 1943 riots had featured pitched battles between blacks and whites. In Detroit's 1967 riots, a small but significant number of whites were arrested along with blacks for looting.

Aimless destruction of property seemed to be the main theme of the 1967 disorders. This led the commission to assert the existence of something called "institutional racism," a sort of Marxist version of class warfare transmuted into racial conflict. Much of the rioting was indeed aimed at "institutions"—but black-owned stores suffered just as badly as white shops. Little effort seems to have been made by rioters to strike at the big banks, corporate office buildings, and other capitalist bastions of the central cities. To the extent the rioters were giving voice to grievances, they seem to have been remarkably unaware of the sources of those grievances—or at least what the Kerner Commission so confidently identified as the sources.

No doubt many elements were present in the rioting of the mid-1960s. Some have called it a revolution of rising expectations. The previous Detroit rioting had occurred during a period of dramatic economic improvement, too. And it's hard not to believe that the relative misery of urban blacks didn't have a good deal to do with the outbursts, even if there was a sort of mindless, copy-cat quality to the rioting across the country.

But such explanations beg the question. Black rioting had also occurred in Harlem during the Depression. As Irving Kristol has asked, are we to believe this was a revolution of decreasing expectations? And the relative misery of blacks—what Kristol has called "the lonely misery" of the urban black—was nothing new. Even assuming things weren't improving, why did it spill over into violence in the mid-1960s? Why not earlier—or later?

Legitimation of Violence

In retrospect, one element stands out above all else: the legitimation of violence. It is something not talked about in the Kerner report. And it's not something that is provable in any empirical sense. But if one believes that ideas are important, it's impossible to overlook this particular possibility. And from the vantage point of 20 years later, it seems to fit what took place before, during, and after the riots.

It's remarkable to reread the newspapers of the day. One national figure after another is quoted as predicting that violence would be the inevitable result if social spending wasn't increased drastically. In a January 1966 speech, for example, Robert Kennedy urged a program to wipe out the "huge central city ghettoes" and warned of "racial violence" unless the plight of the urban Negro wasn't corrected. Martin Luther King, Jr., a few weeks later appeared on the front pages to call Lyndon Johnson's war on poverty "too small" and proclaim that "riot conditions" were present in the nation's major cities.

Vice President Hubert Humphrey in July 1966 warned of ghetto violence and added that, if forced to live in some of our cities' slums, he could lead a "mighty grand revolt" himself. Even the chief law officer of the country, Attorney General Nicholas Katzenbach, spoke of the "poverty and despair" that could touch off rioting.

The report went out of its way to downplay the positives, possibly because the data would have disrupted the economic determinism that was the dogma of the day.

It seems reasonable to suppose that this sort of talk had consequences. On the street, it may have been viewed as a sort of invitation to threaten violence to pry loose the "reparations" that the black poor had been told was their due. Those who rioted may not have read the *New York Times*, but the message was purveyed in even cruder form by television and radio. The Johnson administration's Community Action Programs had spawned a large cadre of urban activists whose vested interest in more government aid was obvious—and whose hostility toward established authority was a deliberate aspect of federal policy.

The message that the "oppressed" received from this was that the authorities weren't serious about enforcing the law. As it turned out, they were correct. In a number of the riots, police held back while widespread looting and burning took place, fearful of offending the black community even more. In Detroit, the police cordoned off the area in the hopes that the riot would burn itself out. Instead, a fair section of Detroit was burned out.

The message that the middle class, black and white alike, received from authorities was that their values, property—and lives—were in jeopardy. They acted accordingly. White flight from the cities began long before the rioting. Afterwards, it accelerated.

Why the Riots Ended

Just as the legitimation of violence may have set loose urban disorders, the delegitimation of violence may have ended them. Indeed, the Kerner Commission, though it would get little credit for it on the left, may have played a constructive role in this regard. Its grandiose proposals for redeeming the cities received the most attention. But only days after the commission was formed, it urged the president to implement immediate intensive riot training of

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troops and police departments.

The payoff was immediate. When Martin Luther King, Jr., was assassinated in May 1968, a holocaust was widely expected. Severe disorders were reported in a number of cities, notably Washington. But quick, efficient police action kept the rioting in most cities to a minimum. The loss of life and property damage was much less than during the previous summer. In Detroit, 3,000 National Guardsmen, newly trained in riot-control procedures, were immediately mobilized and moved into areas of potential disorder. No rioting took place.

Most of the urban pathologies cited in the Kerner report have intensified in the past two decades. Yet the predicted upheavals have failed to materialize.

Improvements in riot-control techniques would have come with or without the Kerner Commission. The commission's recommendations mirrored a sudden change in attitude on the part of national leaders, black and white, Democrat as well as Republican. Bobby Kennedy, running for president in 1968, rebuked the King rioters for demeaning the moral grandeur of the civil rights movement. Other leaders, including many blacks, followed suit.

There was little talk of rewarding the rioters with yet more social spending. Even the media seemed to adopt a new and less patronizing tone toward civil disorder. When Harlem store owners rebuked Mayor Lindsay for failing to provide sufficient police support to put down youth disturbances after the King assassination, it received front-page treatment.

Responsible leadership was beginning to reassert itself. It was widely recognized within the black community that the riots had been a disaster. No longer would youth be allowed to put the cities to the torch, as they had done in the mid-1960s.

The gradual integration of urban police departments has given officials added moral authority with which to drill home this message. Mayor Coleman Young in Detroit, for example, has imposed a youth curfew for years now and is even being accused of reinventing some of the tough police tactics that were the subject of much media attention when whites held the billy clubs. While Detroit's police department is still only 35 percent black, well below the proportion of blacks in the city population (about 75 percent), as Young says, police are no longer viewed as an "occupying army." But this was a long time coming. Violence had already been delegitimized as a means of social protest.

The "two societies" prediction of the Kerner Commission has largely come to pass. There is as large a difference as ever between the poverty and despair of inner cities and the general prosperity of the rest of the country.

But on a deeper level, the Kerner report has proven wrong. Unless conditions in urban areas were promptly alleviated, the Kerner Commission warned, the cities could expect "large-scale and continuing violence"—indeed, "the destruction of democratic values." But most of the urban pathologies cited in the Kerner report have, if anything, intensified in the two decades since the report. Crime, poverty, and welfare dependency are said to be worse than ever. Yet the predicted upheavals have failed to materialize.

This suggests that the Kerner Commission's findings were deeply flawed. What it saw as an expression of protest vindicating the need for massive government programs actually reflected the intellectual ethos of the day: hostility to property and acceptance of violence. It represented a degradation of the idea of nonviolent protest against the political evil of segregation into a willingness to use urban blacks as shock troops in a highly ideologized war on poverty. The failure of our national leaders to speak out against this—indeed, their positive willingness to engage in promiscuous promises and rationalizations of violence—was a costly error.

Vacant Lots and Windowless Stores

Once the error was seen, by both blacks and whites alike, the rioting ended. But the damage was done. While state and federal aid poured into cities over the next decade, business continued to move out. Detroit, the scene of the worst riot, lost more than half its business establishments between 1967 and 1982; the number of employed also dropped by half. The black middle class had already begun moving out of the city; after the riots, that exodus accelerated, leaving the city without its most valuable stabilizing influence.

A third of Detroit's population now is on welfare. Last year, 43 children were murdered in Detroit—as many as the total number slain in the '67 riot. (In 1986, nearly 650 residents of Detroit were murdered overall.) Detroit is now more "segregated" than ever.

Detroit's 12th Street, the epicenter of the '67 riot, is remembered by residents as a bustling, thriving community before the riots. Some rebuilding has taken place, and the street, touchingly, has been renamed Rosa Parks Boulevard, after the black woman who took her place at the front of the bus (and who now lives in Detroit). But 12th Street and the surrounding area is still a bleak landscape of public housing, vacant lots, and windowless "party stores."

It's a reminder that ideas have consequences. And it's against the backdrop of 12th Street in Detroit, not the Kerner Commission's good intentions, that the report on civil disturbances deserves to be remembered this spring.☎

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REAGANOMICS AND THE CRASH

The Fallacious Attack on the Twin Towers of Debt

PAUL CRAIG ROBERTS

Enemies of the Reagan tax cuts have built a seven-year record of totally inaccurate and mutually inconsistent predictions. In 1981, they said that the tax rate reductions would lead to an inflationary explosion. When inflation collapsed in 1982, they said the deficit would cause high interest rates, crowd out private investment, and prevent an economic recovery. When interest rates collapsed and the economy began a strong expansion, they said the deficit caused a strong dollar that would destroy U.S. manufacturing and deindustrialize America. When the dollar collapsed, they said the deficit caused a weak dollar and turned the U.S. into a debtor nation. Now the same critics, undeterred by self-contradiction, are blaming the stock market crash on the budget deficit—even though the week before the crash it was announced that the deficit for 1987 had declined 33 percent below the previous year's level.

The business community, many conservatives, and even one Republican presidential candidate have fallen for the liberal Democratic line that tax cuts are responsible for the budget deficit, which in turn is responsible for the trade deficit and an overreliance on foreign capital. The resulting overemphasis on reducing the budget deficit, if necessary by tax increases, is distracting world policymakers from the real problems that threaten economic stability—principally monetary policy as well as a U.S. tax system that continues to discourage private saving.

High Dollar, Low Dollar

The tax-raisers' attack on the "twin towers of debt"—budget and trade—has come in two distinct phases. From 1981 to 1985, the argument was: the tax cuts caused budget deficits, which caused high interest rates, which caused an inflow of foreign capital, which drove up the dollar, which gave us the trade deficit, which was destroying U.S. jobs and leading to unemployment and deindustrialization. Since 1985 the argument has been almost completely the opposite: The U.S. budget deficit is a highly expansionary Keynesian fiscal policy, which has caused a consumption binge, which has spilled over into imports, causing a huge trade deficit, wrecking the dollar and making the U.S. a debtor nation. Thus, both the high dollar and the low dollar, both high interest rates and excess consumption, have been ultimately blamed on the Reagan tax cuts.

Almost every strand of the tax-raisers' argument is factually untrue. To begin with, consider our alleged dependence on foreign capital to finance the budget deficit. Table 1 permits a different explanation: instead of exporting our capital, we are financing our own deficit, while foreign capital inflows finance the investments that foreigners want in the U.S.

The table shows that between 1981 and 1984 when the budget and trade deficits rose to high levels, the change in our capital account resulted from a decline in United States capital outflows, not from an increase in foreign capital inflows.

Americans Investing at Home

Between 1982 and 1983, when the net identified capital inflow shifted from negative to positive, capital inflows into the U.S. actually fell by $9 billion. The change in the capital account resulted from a $71 billion fall in U.S. capital outflows. And over the 1982-84 period—the time when the story of massive foreign money pouring into the U.S. from abroad was firmly fixed in the country's consciousness—there was no significant change in inflows of capital into the U.S., but capital outflows collapsed from $121 billion to $24 billion, a decline of 80 percent. The outflow decline is clearly the origin of the large trade deficit, which by definition is a mirror image of the capital surplus. Only in 1986—the year of the falling dollar and low U.S. interest rates—was there a dramatic jump in inflows.

What caused the collapse in U.S. capital outflows? The short-lived business tax cut in 1981 and the reductions in personal income tax rates in mid-1982 and mid-1983, together with unattractive investment opportunities in foreign countries, especially in the Third World, raised the after-tax rate of return on real investment in the U.S. relative to the rest of the world. Therefore, instead of going abroad, the money stayed home and was invested in equipment and structures. Although foreigners do hold rising

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TABLE 1

U.S. Capital Account, 1980-85
(in $ billion)

	1980	1981	1982	1983	1984	1985
Capital inflow to U.S.	$ 58	$ 83	$ 94	$ 83	$103	$127
Less capital outflow from U.S.	86	111	121	50	24	32
Equals net identified capital inflow	−23	−28	−27	35	79	95
Plus statistical discrepancy & other (inflows)	26	21	36	11	27	23
Equals net capital inflow to U.S.	$ −2	$ −6	$ 9	$ 47	$107	$118

Note: Components may not add due to rounding
Source: Commerce Department

amounts of U.S. federal debt, Table 2 shows that in percentage terms foreign holdings peaked in 1978 and declined in the 1980s.

The common assertion that the United States has become the "world's largest debtor" is the product of faulty accounting, a comparison of older book values of U.S. direct investments abroad with more recent market values of foreign-owned U.S. assets. If U.S. assets overseas were valued at current prices, then the United States would still be a net creditor. Last year, U.S. income from its foreign assets exceeded the income paid to foreigners by $21 billion. The latest trade figures show that the U.S. continues to be a net recipient of investment income. The United States *is* close to becoming a debtor nation—as we were until 1914—but those anxious to denigrate have jumped the gun. Moreover, our external debt, unlike Mexico's to which it is often compared, is denominated in our own currency. We can never be a debtor in the sense of countries whose debts are denominated in foreign currencies.

The tax-raisers argue that budget deficits caused the high interest rates and appreciating dollar of the early 1980s. But the truth is that high interest rates and the dollar's rise in value *preceded* the large deficits. In 1981, the trade-weighted value of the dollar rose 19 percent over its 1980 level, the largest single-year gain in the dollar's rise. That year the budget deficit rose only $5.1 billion from $73.8 billion in 1980.

An inverted-yield curve, with short-term rates above long-term rates, characterized the economy in 1979, 1980, and 1981. The inverted-yield curve is an unmistakable sign that high interest rates were caused by stringent monetary policy. The federal-funds rate, an overnight rate set by the Fed, was higher than the interest rate on long-term triple-A corporate bonds from October 1978 to May 1980, from October 1980 to October 1981, and from March 1982 to June 1982. In April 1980 the federal-funds rate exceeded the corporate bond rate by 5.57 percentage points and in December 1980 by 5.69 percentage points. In January 1981, when Mr. Reagan was inaugurated, the gap peaked at 6.27 percentage points. Overall, interest rates peaked in 1981 with the budget deficit unchanged from its previous year's level. The budget deficit appears to have peaked in 1986 at three times the size of the 1981 deficit, with the federal funds rate only one-third as high as it was in 1981.

It has always been obvious to any objective analyst that the "Reagan deficits" resulted not from tax cuts but from a sharp increase in government spending as a percentage of GNP. Tax cuts can cause revenues to fall, but they cannot

TABLE 2

Levels and Percentage of Foreign Holdings of Gross Federal Debt and Federal Debt Held by the Public

	Special Analysis E Series			Domestic Finance Series		
Year	Federal debt held by public*	Foreign international	Percent	Gross Federal debt*	Foreign international	Percent
	(bil.$)	(bil.$)	(%)	(bil.$)	(bil.$)	(%)
1976	480.3	69.8	14.5	631.9	69.8	11.0
1978	610.9	121.0	19.8	780.4	121.0	15.5
1980	715.1	121.7	17.0	914.3	121.7	13.3
1981	794.4	130.7	16.5	1,003.9	130.7	13.0
1982	929.4	140.6	15.1	1,147.0	140.6	12.3
1983	1,141.8	160.1	14.0	1,381.9	160.1	11.6
1984	1,312.6	175.5	13.4	1,576.7	175.5	11.1
1985	1,509.9	209.8	13.9	1,827.5	209.8	11.5
1986	1,714.0	256.3	15.0	2,112.0	256.3	12.1

* Federal debt held by the public equals gross federal debt less holdings by Government agencies and trust funds.

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cause federal spending to rise as a share of GNP. Only programmatic spending increases and cyclical factors can cause the government's budget to grow faster than the economy. As a result of the fall in the growth path of nominal GNP, spending during the four-year period 1982-85 averaged 4.2 percent more of GNP then the original fiscal plan intended—an amount equal to the budget deficit for those years.

In my writings and congressional testimony (before the Senate Committee on Banking, February 18, 1987, and the House Subcommittee on Domestic Monetary Policy, June 4, 1987), I have stressed the responsibility of monetary policy—and particularly the unanticipated disinflation of 1981-82—for the budget and trade deficit. More recently, Assistant Secretary Michael R. Darby has completed a Treasury Department research project, "An Analysis of Sources of Change in the Federal and Total Government Deficits," that shows that the budget deficit is the product of the Fed's high interest rate policy and the recession.

The Treasury study, which was released October 2, 1987, breaks the deficit down into its three components: one is the net-interest component (net of the taxes the government collects on the interest it pays), which is the product of the accumulated debt and the after-tax interest rate. Another is the structural component, which reflects the gap between expenditures and receipts at full employment. The third is the cyclical component, or the deficit that results from unemployment.

Deficit Results from Monetary Policy

The bottom line of the Treasury study is that the deficit problem is not structural. Only during 1984-86 did the federal structural deficit approach the levels it frequently reached between 1966 and 1976. On a general government basis, which includes state and local budgets, there has been a structural surplus almost continually since 1977. Those economists who blamed the structural deficit for the drain on saving have been proven wrong.

The facts show that the recession and compounded interest payments account for the federal deficit. Beginning in 1980, the Federal Reserve's high interest rate policy, together with large cyclical deficits from the recession, greatly increased the net interest component of the budget. By 1987, net interest accounted for two-thirds of the federal deficit and essentially all of the general government deficit.

It is the structural component that reflects the operation of fiscal policy, and the relatively small structural deficit does not support the argument that Reagan's fiscal policy failed. The large cyclical and net-interest components of the deficit reflect the conduct of monetary policy, specifically the high interest rates used to crush inflation in 1981-1982.

Darby shows that the federal budget currently projects a structural surplus beginning in mid-1988. If we can avoid recession and new spending programs, the ratio of government debt to GNP will follow a strong downward trend in the years ahead. Already it is far less a problem than it is made out to be. On an inflation-adjusted basis, the general government deficit for 1987 is 1.5 percent of GNP—almost exactly that of West Germany.

No Consumption Binge

In fact, the U.S. deficit is hardly out of proportion to those of other industrialized countries. The appropriate measure of government dissaving is the general government budget deficit. In the U.S., state and local governments have a net budget surplus. When this surplus is offset against federal deficits, the ratio of general government deficit to GNP is lower in the U.S. than in the U.K. and France—two countries that have been critical about American deficits.

As Table 3 shows, among the Group of Seven industrial nations, only Japan has a notably lower ratio and that has been true only since 1985. Prior to 1985, Japan had large budget deficits and large trade surpluses—which confounds the argument that budget deficits cause trade deficits. The forecasts for 1987 and 1988 do not reflect the German economic slowdown and understate the German budget deficit.

It is even more revealing to compare the growth of total federal debt as a share of GNP for the G-7 countries [Table

TABLE 3

General Government Budget Deficits as Percentages of Nominal GNP/GDP

	1981	1982	1983	1984	1985	1986	1987[F]	1988[F]
United States	1.0	3.5	3.8	2.8	3.3	3.5	2.4	1.8
Japan	3.8	3.6	3.7	2.1	0.8	0.9	0.9	0.2
Germany	3.7	3.3	2.4	1.9	1.1	1.2	1.5	2.0
France	1.8	2.7	3.1	2.9	2.6	2.9	2.7	2.5
United Kingdom	2.8	2.3	3.6	3.9	2.7	2.9	2.7	2.7
Italy	11.9	12.6	11.7	13.0	14.0	12.6	12.6	12.2
Canada	1.5	5.7	6.6	6.6	6.6	5.4	4.9	4.6

Source: OECD Economic Outlook, June 1987. Data are on a standardized System of National Accounts basis, except for U.S. and U.K., where national data are used.

[F] OECD forecasts, except for U.S., which reflect Administration August 1987 forecast updated for 1987 actual deficit.

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4]. From 1973 to 1986—a period comprising the largest deficits in U.S. history—only the U.K. experienced a lower growth in the ratio. In the U.S., the ratio rose 41 percent, but in "fiscally responsible" Germany and Japan, the ratio rose 121 percent and 194 percent!

From 1982, when the economy emerged from recession, gross fixed investment in the U.S. has risen as a percent of GNP. This has not been the case for most countries. Even Japan has experienced a falling investment rate in the 1980s, though its investment rate is still far higher than that of the U.S. As for our import consumption binge, since 1982 U.S. imports of capital goods have tripled, rising from $35 billion to $110 billion. The increase in the importation of capital goods accounts for one-half of the U.S. trade deficit.

These statistical facts are inconsistent with the picture of the U.S. economy as a consumption-driven machine fueled by large deficits threatening the world with inflation. The rhetorical war against Reaganomics has far outrun the facts and, by distracting attention from monetary policy, threatens the world with recession.

Tight Money and the Panic

The tax-raisers similarly claim that the 40 percent rise in U.S. interest rates that preceded the October 1987 stock market crash was caused by problems of financing the U.S. deficit. This claim is inconsistent with the fact that in the fiscal year ending in October 1987 the budget deficit declined by one-third, a drop of $73 billion below the previous year's level and $25 billion below the forecast. Yet, despite the large reduction in the deficit, U.S. interest rates rose. Moreover, concern over U.S. deficits and a declining dollar cannot explain the high interest rate policy of countries with appreciating currencies and large trade surpluses. Between May and October interest rates on German government bonds rose 36 percent, and interest rates on Japanese government bonds rose more than 100 percent.

TABLE 4

Federal Debt as Share of GNP

	1973	1986	% Change
Austria	10.8%	55.9%	417.6%
Spain	13.8	49.0	255.1
Sweden	22.5	68.8	205.8
Japan	30.9	90.9	194.2
Belgium	54.0	123.2	128.1
Germany	18.6	41.1	121.0
Italy	52.7	88.9	68.7
Netherlands	43.2	72.2	67.1
Canada	45.6	68.8	50.9
France	25.4	36.9	45.3
U.S.	39.9	56.2	40.8
Switzerland	30.3	32.5	7.3
U.K.	71.8	57.7	−19.6
Weighted Average	**37.5**	**62.1**	**65.6**

Source: Bank for International Settlements

During 1987, money supply growth in the U.S. abruptly slowed and practically halted. Astonishingly, the rise in interest rates was misinterpreted by Federal Reserve officials as a sign of rising inflation expectations. This mistake led to another. In September, the Federal Reserve raised the discount rate believing that this action would reassure the markets and stabilize, if not reduce, long-term interest rates. Instead, interest rates moved up sharply. Confronted with an increasingly tight monetary policy, the stock market forecast recession and sold off. After the decline was under way, the Germans raised interest rates again, causing a panic.

The common assertion that the United States has become the "world's largest debtor" is the product of faulty accounting.

These extraordinary mistakes in monetary policy could not have occurred if leaders had not been distracted by deficit mania. The facts show that the U.S. deficit is one of the smallest as a percent of GNP and that the growth of U.S. federal debt is relatively small.

The same monetary policy during 1981-82 that drove inflation below forecast helped to drive the dollar to extraordinary highs and to keep it there until 1985. The Volcker Fed gave our competitors half a decade in which to entrench themselves in our markets. For the past five years our allies have piggybacked on the Reagan expansion, selling us the goods that they could not sell at home. If the U.S. trade deficit were to be corrected before the export-based economies of our allies take steps to invest in their own economies and expand their domestic consumption, we would most likely see a serious world recession.

Our allies love to deprecate our twin deficits, in part because they are envious of our five-year expansion that has created 13 million new jobs without reviving inflation. Mrs. Thatcher's achievements are marred by double-digit unemployment, and Europe generally has been unsuccessful in creating jobs. Uncle Sam may be a pitiful sight, but he continues to carry Germany and Japan on his back. Germany and Japan cannot simultaneously have export-based economies dependent on the American market and complain about our trade deficit.

Reaganomics Not Keynesian

The point of all this is not to belittle budget and trade deficits, but to put them in perspective so that they do not draw our attention from more fundamental issues.

Think back a decade ago to President Carter battered by

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worsening Phillips curve trade-offs between inflation and unemployment and without hopeful policy options. Remember the infamous "malaise" speech signaling the death of hope. Remember the policymakers' emphasis on incomes policy and industrial policy—approaches that promised further erosion of economic liberty. That is where we were, and that is what Reagan's supply-side policy brought us out of. Polemicists who claim that the Reagan expansion is nothing but a deficit-fueled Keynesian consumption binge have to explain what happened to the Phillips curve. Why did the Keynesian policy not work for Carter? Why did smaller deficits lead to a worsening inflation trade-off for Carter, while larger deficits were accompanied by declining inflation under Reagan? There was a bad recession in 1974-75, but it was not followed by a five-year expansion with falling inflation. Clearly, something else has been going on.

A two-year spending freeze is all it would take to wipe out the deficit.

Reagan brought confidence back—confidence that could even survive year after year of doom and gloom about budget and trade deficits. He brought confidence back because of the steps he took to restore private property rights. Tax rates were cut. Regulation was slowed. Inflation fell. And the country's defense posture was strengthened. Abroad socialized countries began privatizing. The tide finally turned in a 50-year-old war that the friends of economic liberty had been losing. It is extraordinary that even freedom's allies are little inclined to cheer and greatly inclined to blame the expansion of private property rights for the "twin towers of debt."

Much remains to be done. The deficit needs to be cut, but in the right way. It is self-defeating to try to reduce the deficit by withdrawing pro-growth incentives. The most successful way of reducing deficits is to have the economy grow relative to the government's budget. This requires spending control and a pro-growth monetary policy. A high interest rate policy "to support the dollar" is at odds with deficit reduction. Private saving needs to be expanded. This requires reducing and eliminating the existing tax bias against saving that results in the multiple taxation of investment income. It does not require higher taxes on income in order to finance public spending.

Close attention must be paid to monetary policy. It is just as important to avoid unnecessary restraint on economic growth as it is to avoid inflation. We cannot afford a monetary policy that elects to take only recessionary risks, and we cannot permit the pretense that fiscal policy determines interest rates.

An important function of our representatives in diplomatic, economic, and multilateral lending institutions must be to spread the supply-side policy abroad. Reliance on incentives, markets, and private investment is an easy sell in light of the Third World's unhappy experience with development planning, Europe's unhappy experience with socialization, and the Soviet Union's and China's unhappy experiences with central planning and economic coercion.

To be deterred from this easy task, and to be thrown on the defensive by a budget deficit, indicates a cowardice that is inconsistent with world leadership. This is especially the case with a deficit that reflects nothing but the failure to rebase the budget to take into account a quicker than expected victory over inflation. A two-year spending freeze is all it would take to wipe out the deficit. If, following many years of large increases in federal spending, this small step is considered too drastic to take, then the budget deficit cannot possibly be the dire problem it is claimed to be, and we should be content to eliminate more gradually the deficit by expanding the economy.

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WHERE WE SUCCEEDED, WHERE WE FAILED

Lessons from Reagan Officials for the Next Conservative Presidency

Kenneth L. Adelman, Martin Anderson, Linda Chavez, Mitchell E. Daniels, Jr., Donald J. Devine, Charles Heatherly, Frederick N. Khedouri, Constantine C. Menges, Paul Craig Roberts, Ralph Stanley, John A. Svahn, Norman Ture, James Watt, Murray L. Weidenbaum

The coming year will be critical for conservatives in several ways. The fate of the economy will determine whether Ronald Reagan—and conservative economic ideas—are remembered for the stock market crash and the collapse of the dollar, or for leading America from Jimmy Carter's stagflation into the longest peacetime boom in recent history. The November elections will be a referendum of sorts on conservatism—particularly in foreign policy, where all the current Republican candidates are committed to a strong defense, and all the current Democrats to a weak one. And the primaries will determine whether the conservative movement, currently leaderless and running out of political momentum, will gain a standard-bearer who can mobilize millions as Barry Goldwater and Ronald Reagan did.

Equally important, conservatives this year will begin a systematic assessment of the successes and failures of the Reagan presidency. The Reagan administration is the first experiment in conservative government in over half a century. It has suffered many defeats, some self-inflicted, in trying to implement conservative policies, and some of the policies that it has succeeded in implementing have not worked out as intended. At the same time, it has registered a string of impressive policy achievements that could scarcely have been anticipated by Reagan's supporters before the 1980 elections (see "One Hundred Conservative Victories," *Policy Review*, Summer 1987). A wealth of practical experience with government—distilled from the accomplishments, mistakes, and missed opportunities of thousands of Reagan appointees—therefore awaits the next conservative administration.

The following symposium is part of the effort to collect practical advice for conservatives in future presidencies.The participants, all former Reagan appointees, were asked four questions: What was your principal accomplishment in the Reagan administration? What was your principal disappointment in the policy area where you were most involved? What did you learn about Washington that you did not know before? And knowing what you know now, what would you have done differently?

—A.M.

KENNETH L. ADELMAN

Director of Arms Control and Disarmament Agency, 1983-1987; Deputy U.S. Permanent Representative to the U.N., 1981-1983. Mr. Adelman at present is a nationally syndicated columnist, an editor of Washingtonian *magazine, and the Washington director of the Institute for Contemporary Studies.*

"All too often conservatives would rather bluster than fight."

My greatest accomplishment sounds modest but, believe me, it's not: avoiding the endless caravan of arms control schemes that would have harmed U.S. interests.

Those outside government cannot imagine the political, diplomatic, State Department-generated, and other pressures to adopt some harebrained "new" scheme to negotiate with the Soviets or to negotiate with ourselves. Had we moved down that road—and we started more times than I

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care to recall—we would have ended up with no agreement at best and a bad agreement at worst.

Most arms control concoctions peddled as "new" have actually been around a while and have justifiably been rejected. I am reminded of that wonderful cable in the early 1960s from Dean Rusk to John Kenneth Galbraith, then ambassador to India; Rusk told Galbraith that insofar as the arguments he mustered in an elaborate diatribe on Vietnam were coherent, they had already been considered and rejected.

That's precisely why any administration needs people with experience in arms control (and I don't say that about most foreign policy fields). Otherwise, they'll be easy prey for the professional arms control pushers.

I've come to learn there are no new mistakes in arms control. We usually just keep on making the same old ones. Knowing those made in the past helps anyone follow our First Lady's advice on drugs: "Just say no!"

No Response to Soviet Cheating

My greatest disappointment: We didn't do anything, really, about Soviet cheating. Not from want of effort but from want of answers. We never really found anything much *to do* about Soviet cheating. That's the sad truth.

Those outside government may well wonder why, year after year, we reported a pattern of Soviet violations and did nothing about it. We hit the Soviets with prospects of new agreements, and that's about all. That's not how normal folks act when cheated by a merchant, for instance; then we sue, get the Better Business Bureau stirred up, at least persuade friends not to patronize the place. We certainly don't continue patronizing the place ourselves.

We tried—oh, how we tried—to come up with effective countermeasures, but there didn't seem to be any. Augmenting U.S. military programs, the obvious response, never came forth because the Pentagon wanted to preserve its top priority programs, which were then being mercilessly cut, rather than add new programs as a response to Soviet cheating.

Our sin was one of omission, while Congress's sin was one of commission. Those on the Hill both sliced the existing military programs and mandated that we stay in arms agreements that the Soviets were violating. That's shameful.

What did I learn about Washington? Confirmations can be rougher than anticipated. Sure I knew it intellectually, but I did not "see it feelingly," in King Lear's marvelous phrase. I do now.

I also learned that all too often, conservatives would rather bluster than fight. Many of our brethren like to be modern Paul Reveres, sounding the alarm about a problem, but then they don't put together the troops you need to win political battles. The cause hasn't worked the Congress enough, for example, to get decent funding for the gasping SDI program, even though it would surely have mobilized the nation had we given away one SDI spark plug at the negotiating table.

Should Have Been Franker

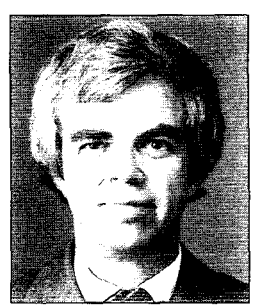
What should we have done differently? We all should have been much franker about the real limitations of arms control. We bought the rhetoric, though thankfully not the substance, of the traditional "arms control community."

We really didn't come out and explain, with the repetition and directness needed to move public debate, that arms control can do modest good if handled well and enormous harm if handled badly. Arms control has been vastly overvalued and oversold in Western public discourse, including (most painfully) on our watch.

The average American has been inundated with the message that somehow, someday, arms control can or even *will* deliver us from danger. Arms control has often been equated with "peace" by officials who should know better. It is now taken as synonymous with "peace" by publics who should have been told better.

I never really believed Dean Acheson's comment: "To leave public life is to die a little." But I do think that to be in public life is to live a lot. None of us, even the grumpiest among us, would have traded the experience. What a time it was!

Martin Anderson



Assistant to the President for Policy Development, 1981-1982. Mr. Anderson now is senior fellow of the Hoover Institution.

"Reaganomics is not perfect, but it is way ahead of whatever is in second place."

My greatest accomplishment was probably helping to develop and implement President Reagan's comprehensive economic plan—his five-part program of reduced tax rates, lower growth rates for federal spending, regulatory reform, a sounder monetary policy, and stability and consistency for all aspects of that economic policy.

Reaganomics is not perfect, but it is way ahead of whatever is in second place. From 1982 to 1987, more than 13 million new jobs were created. We have had the longest period of steady peacetime growth—61 consecutive months up to December 1987—in history. Inflation has dropped so low it is no longer a serious public concern. Interest rates are low and steady. The rate of unemployment is now below 6 percent, the lowest level since the late 1970s.

During the last five years, the United States produced $20 trillion worth of goods and services. Overall, it was the greatest economic expansion in history.

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Yes, the deficit is too high. The federal government still wastes an awful lot of money. And the economy would benefit mightily from a balanced-budget amendment to the Constitution and a greater role for gold in monetary affairs. But the economic glass is 90 percent full and getting fuller.

Prosperity and Security

This powerful resurgence of capitalism in the United States has made it possible for us to spend what has been necessary for our national defense, to rebuild our conventional and nuclear forces and our intelligence capability, and to lay the groundwork for a protective missile system that may become the cornerstone of our national security in the 21st century.

The Reagan administration has restored the prosperity and security of America. It is now up to us to see if we can keep it.

Disappointment on the Draft

My greatest disappointment was that we did not repeal draft registration. We came close, but we still waste a good deal of time and money doing something that only lulls us into a false sense of security. Instead of keeping rapidly changing computer lists of male teen-agers, we should be devoting our efforts and resources to building the combat capability of our reserve force, the only force we can count on to react quickly in a future military emergency.

Linda Chavez

Staff Director, Commission on Civil Rights, 1983-1985; Deputy Assistant to the President and Director of Office of Public Liaison, 1985-1986. After an unsuccessful bid for the U.S. Senate in 1986, Ms. Chavez is now president of a non-profit education and advocacy organization and writes political commentary.

"The most surprising lesson I learned was how little policy actually emanates from the White House."

Defeat on Affirmative Action

For better or worse, the Reagan administration is generally perceived to have turned back the clock on affirmative action programs in the last seven years. My own experience, first as director of the U.S. Commission on Civil Rights and then as director of public liaison at the White House, however, tells me that this characterization is far from accurate. Indeed, the administration's victories in eliminating race and gender preference were few and the frustrations many. In practical terms, little has changed in the way affirmative action programs operate in the U.S.

Government contractors are still required to satisfy hiring and promotion goals based on proportional representation for minorities and women. The federal government itself still requires agencies to draw up affirmative action plans for blacks, Hispanics, Asians, handicapped persons, and others (the Civil Rights Commission's plan included alcoholics and persons identified as emotionally ill). While the courts and the Congress exerted considerable influence on the ability of the administration to achieve all its policy aims in civil rights, in these specific areas the administration wielded a free hand. With a single stroke of the pen, the president could have abolished quotas in the federal work force and in private sector employment involving federal contracts. Yet, despite much public debate and private wrangling between factions within the administration, nothing was done.

In 1985, an intergovernmental working group met to discuss revisions on Executive Order 11246 that would have put an end to requiring federal contractors to meet hiring goals based on race and gender preference. Months of protracted negotiations between representatives of the Department of Justice, the Department of Labor, the Equal Employment Opportunity Commission, and the White House took place to draft new language. Members of the Domestic Policy Council and the Cabinet met to discuss proposed revisions.

Consensus was impossible because some members of the administration adamantly favored the use of racial goals and timetables in affirmative action plans and others feared that any action would light a political firestorm. The issue was never presented to the president so that he could arbitrate differences and establish his own policy. Consequently, President Reagan will leave office with almost all of the infrastructure of discriminatory affirmative action programs in place. This is a tremendous defeat for those of us in the administration who had hoped that Ronald Reagan might take a major step toward building a society in which individuals are judged (to borrow from Martin Luther King, Jr.) not on the color of their skin, but the content of their character.

Victory on Comparable Worth

While we may have lost the war against discriminatory affirmative action, some major battles were won on another civil rights front. When I am asked what I am most proud of having accomplished during my tenure with the administration, slowing the progress of comparable worth legislation immediately comes to mind. In 1984, the engine of comparable worth legislation seemed invincible. State legislatures, city councils, and county governments, even the federal government were rushing to enact comparable worth bills. In fact, one bill affecting the federal work force passed the U.S. House of Representatives with only a handful of members opposing. Even staunch Republicans seemed hesitant to take on this issue. Nonetheless, I proposed that the Civil Rights Commission consider testimony on comparable worth from advocates and opponents and then issue a policy statement to the president and Congress.

The hearings that were held in May 1984 (known formally as Commission Consultations) provided the most

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extensive and impartial discussion of the issues surrounding comparable worth that had ever taken place. Following those hearings, the commission was able to release a policy statement opposing comparable worth, which has been cited in court decisions and in public debate. Later, after I joined the White House, I was able to assist in briefing members of Congress on pending legislation, which resulted in significantly greater Republican opposition to the bill when it later was adopted by the Democrat-controlled House. The Senate did not pass the legislation, which was reintroduced in the current Congress and is now pending.

The most surprising lesson I learned while in the administration was how little policy actually emanates from the White House, whether by design or accident. My chief reason for wanting to leave the Civil Rights Commission to join the White House staff was to be able to have a greater role in influencing administration policy on a broad array of issues. What I discovered was that the White House was more involved in process than policy. Most policy initiatives in this administration are firmly set by the departments and agencies with little involvement from the White House. Most White House activity centers on selling the policy to the public or securing passage of legislation to implement policy. Only when disputes develop between agencies on policy issues affecting both does the White House step in. However, the example of what happened to Executive Order 11246 illustrates that if the decision involves choosing between doing something and doing nothing, inertia usually wins.

In many ways I think I had far more influence on administration policy while managing a small agency than I did after I became a member of the senior staff of the White House. Had I known that, I would have been far less anxious to make that move.

Mitchell E. Daniels, Jr.

Assistant to the President for Political and Intergovernmental Affairs from 1985 to 1987. Mr. Daniels is now president and chief executive officer of the Hudson Institute.

"Disciplined party government is just as essential to policy success as are sound research and brilliant polemics."

Whatever campaign victories or successes may lie ahead, the Reagan years will be for conservatives what the Kennedy years remain for liberals: the reference point, the

Drawing by Shelly Fishman for *Policy Review*

"Conservatives like to sound the alarm, but then don't put together the troops we need to win political battles."
—Adelman

breakthrough experience—a conservative Camelot. At the same time, no lesson is plainer than that the damage of decades cannot be repaired in any one administration.

In 1985-87, I monitored and encouraged the pursuit of devolutionary federalism, a fundamental Reagan goal. Progress, though substantial, was mainly indirect and *de facto;* I claim no significant personal policy accomplishment.

My principal assignment was to see that the administration had the political wherewithal to advance its policy agenda. In that realm lay important lessons and, perhaps, some modest contributions.

A unified, integrated political infrastructure is just as essential to policy success as are sound research and brilliant polemics. The mantra "ideas have consequences" lulls some enthusiasts into believing that ideas alone suffice, or that ideas attractive to leadership cadres must perforce appeal to popular majorities. We sometimes disregard Ambrose Bierce's admonitory definition of "self-evident" as "evident to one's self, and no one else."

No Punishment for Disloyalty

The Reagan presidency saw the closest approximation yet to the sort of seamless integration of party and policy that characterizes parliamentary systems, and that will be necessary if a second wave of conservative governance is to occur. United by President Reagan's ideas, persona, and successes, the Republican Party took the first primitive steps toward effective support of presidential initiatives.

At the White House, we gradually improved our performance in rewarding the contributions of party leaders and conferring on them the additional stature and recognition that would make them more effective at home. We developed germinal party mechanisms for public appeals and private lobbying. Regrettably, the necessary discipline of effective party government did not emerge. Almost never was a seditious Republican officeholder denied the bene-

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fits of the administration, and too often the most courageously loyal went unrewarded.

The next conservative administration should treat the party chairman as a Cabinet member, and incorporate the party fully into legislative decision making; it should insist that the party, in return, employ far more resources in sustained public advocacy of administration policies; and it should condition full presidential cooperation in party fund-raising on at least minimal legislative support of presidential positions. In other words, party committees should agree to withhold campaign funding from officeholders who fail to meet some reasonable threshold of loyalty in voting for administration positions.

Congress's Fiscal Criminality

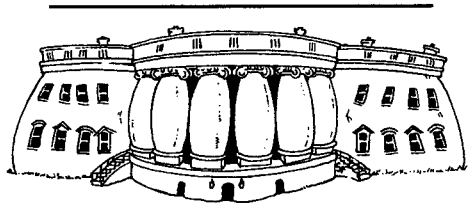
No disappointment troubled me more than our inability to hold Congress accountable for its fiscal criminality. (In view of Congress's routine willful violation of clear statutory law, the term is just slightly extravagant.)

As the congressional "process" progressively deteriorated into one government-wide Continuing Resolution, some of us maintained that the president should force an end to this practice. Our suggestion was that the president should announce in his January budget message that he would not sign any Continuing Resolutions that year. Congress would have nine-months' fair notice that, for once, its deadlines had meaning. The public would be alerted to the nature of Congress' dereliction, and could be updated regularly by White House complaints each time a Budget Act requirement was ignored.

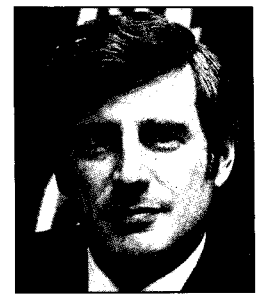
Right Time for Confrontation

A standing Washington rule is that the right time for confrontation is always next time. In 1986, the administration was boxed in by the political paramountcy of Senate control. Steps that might discomfit Senate incumbents, or pressure Hill Republicans and Democrats equally, were out of bounds. In 1987, with Senate protection (sadly) a nonissue, the absorption with the Iran/Contra-versy precluded serious consideration in the critical days for agreeing on such a strategy.

Federal budget-making is the ultimate exercise in compromise. Jim Miller, like David Stockman before him, labored heroically to wrest from the appropriators a few crumbs of reform and responsibility. But with each passing year, the Congress discovered that it could disregard more and more of its own governing statutes, without press criticism and without political penalty. So each year, the president's budget makers had less and less leverage, fewer and fewer bills to trade off for desired spending changes. In this situation, as in many others in Washington, an uncompromising position staked in advance can create the conditions for acceptable compromise at negotiation's end.



Donald J. Devine



Head of the Civil Service Agency transition, 1980-1981; director of the Office of Personnel Management, 1981-1985. Mr. Devine is now a consultant to the Dole for President campaign.

"The president should choose individuals he knows can be trusted for major executive positions, give them a few clear directions, and allow them to make decisions without daily interference from the White House budget and policy staffs."

The primary lesson I learned in my four years as Ronald Reagan's "Chief Bureaucrat" is one every conservative already knows: The national government is a very ineffective way to provide goods and services to people who need them. Not only does government lack the bottom-line discipline of the marketplace and any mechanism to help people rather than serve special interests, but its political trench-warfare will not even allow government to use all the management tools available to it.

More Productivity Through Fewer People

The president set as our main management goal the reduction of the size of domestic government and the achievement of more with lower budgets. As a result, non-defense employment was reduced by over 100,000 employees in the first four years. By the end of the term, 15 non-defense departments, agencies, and commissions, had reduced their workforce by 10 percent or more. Moreover, with a smaller workforce, we were getting more done. I could see this best at my agency, the Office of Personnel Management (OPM), an agency with the fourth-largest budget authority in the government. There, we could measure that while we were performing essentially all of the same functions, we were doing it faster and at a lower unit cost, with one-quarter fewer people. Before we reduced personnel, too many people were bumping into each other and creating inefficiencies. With fewer employees, the remaining ones could work more productively.

The largest program administered by OPM is one that Herblock, the *Washington Post* cartoonist, has labeled Washington's "sacred cow," the Civil Service Retirement System. This program, which allowed full retirement benefits at as early as age 55 and which fully indexed the cost of living—unheard of in the private sector—had an unfunded liability of $518 billion. Although it was difficult to assault the sacred, the administration did bring new federal em-

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ployees under Social Security, allowing the possibility of a more affordable system for the future, and made technical changes for current employees that saved approximately $2 billion. The largest savings were in the disability retirement program, which made up an incredible one-third of all retirements. The reason for such a staggering number was simple: We found that standards for being classified as "disabled" were very low and very little proof had to be given. By simply requiring proof and changing the definition of disability (to the quite-liberal one used in the Rehabilitation Act), early retirements were reduced by an incredible 58 percent, and we saved $1.2 billion.

Market-Based Health Plan

One of the first crises I faced as director of OPM was the $440 million shortfall in the Federal Employees Health Benefits program. In the face of great outcries of rage from the Washington establishment—no one was supposed to touch employee benefits—I introduced market-like cost-sharing and co-insurance into the plan. The result was savings for both employees and taxpayers. Employees saved themselves almost $1 billion and taxpayers were saved over $3.5 billion.

The Reagan administration also implemented the Civil Service Reform Act's provisions to give incentive pay for responsible performance by top-level career executives and managers. And we initiated a real performance appraisal system for all employees so that we could evaluate how well the bureaucrats were working. The goal of the CSRA was clearly to make government more manageable by its political executives. In this, the Reagan administration was very successful. As Paul Taylor of the *Washington Post* noted, "the Reagan administration has moved more aggressively, more systematically, and more successfully than any in modern times to assert its policy control over the top levels of the bureaucracy." Likewise, Princeton University Professor Richard B. Nathan has marveled at the effectiveness of the Reagan administration in "grabbing hold" of personnel.

Bloated White House Staff

Perhaps my biggest managerial disappointment was the inefficiency created by a bloated White House staff. Almost every successful business keeps its headquarters staff lean, and gives executive responsibility to line officers who are accountable for their performance. In government as much as in business, large staffs usually create inefficiencies, bureaucratic empires, and unnecessary paperwork.

Cabinet members and agency heads in the Reagan administration spent an inordinate amount of time answering inquiries from low-level members of the White House staff and OMB, many of whom had different agendas than the president's. It would be better for the president to choose individuals he knows can be trusted for major executive positions, give them a few clear directions, and allow them to make decisions without daily, counterproductive interference from the White House budget and policy staffs. These line managers could then be fired if the president did not approve of their performance, but in the meantime they could get the president's job done.

Charles Heatherly

Director of Executive Secretariat to Secretary Bell, Department of Education, 1981-82; Deputy Under Secretary for Management, Department of Education, 1982-84; Director of President's Commission on White House Fellowships, 1984-86; Deputy Administrator of Small Business Administration, 1986-87. Heatherly is now vice president for academic relations at The Heritage Foundation.

"It doesn't matter how many alligators you get, it only takes one to get you."

Six years in the Reagan administration in three very different agencies afforded many opportunities not only to practice the political arts but to observe other top-level appointees in action. I served directly under a cabinet officer and later, as acting head of the Small Business Administration, had regular contact with senior OMB officials and top White House aides as well as congressional leaders, the media, and interest group lobbyists.

I developed some shorthand rules and maxims; for example, Heatherly's First Law of Alligator Fighting: It doesn't matter how many alligators you get, it only takes one to get you.

An appointee at one of the independent agencies once responded to my maxim by saying, "Yes, but we need not fight alligators at all. They leave you alone if you leave them alone. I've never had real enemies because I've never been confrontational." But the interesting thing about alligators, I replied, is that they don't always wait to be "confronted"; they attack when you enter their habitat, which you can't help doing if you're doing your job.

K Street Strut

There are many different animals in the political menagerie called the public policy process (what a marvelously sanitary resonance that term has: Say it over and over to yourself 100 times and the word "pork" will disappear from your lexicon forever!). . . I don't mean to suggest that political life is inhabited only by alligators or that the only choices are alligator fighting and dancing to the K Street Strut. Quite the opposite. The essence of political leadership is knowing when to fight alligators and when to invite them to tea; when to force an issue and when to be conciliatory; when to deal with the organized interest groups and when to outmaneuver them by going over their heads to the public. Timing is all-important, along with effective coordination with the generals above the company commanders below, but the willingness to fight when circumstances call for it is the *sine qua non* of political strategy.

My greatest accomplishment in my six years in the administration was, in my mind, something that does not make headlines or win awards, because it relates to the

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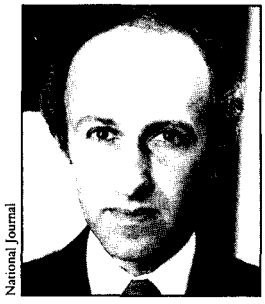
process of leadership rather than its results. I recruited the best people available for particular jobs over which I had responsibility. Many of the people I brought into the administration went on to higher positions—in the White House and as assistant secretaries. Perhaps because I recognized at the outset that the opportunities for policy implementation—particularly under my first boss, Education Secretary Terrel Bell—were so limited and circumscribed, I sought to give good people the opportunity to learn, to grow, and to become credentialed for the future. I was seldom disappointed and am proud of the many fine Reaganauts I recruited and trained. Training in policy management was largely neglected everywhere, and I am equally proud of what we did in the Department of Education in 1982-84 to help appointees become effective in the bureaucracy.

Preemptive Capitulation

My single greatest disappointment was in the poor quality of leadership provided by mid-level White House staff, many of whom seemed always to be positioning themselves to avoid accountability for failure rather than to maximize the chances of success. There was little planning, coordination, or real teamwork. The art of premature compromise was developed to a professional credo and rewarded with media puff pieces; the knack of preemptive capitulation was heralded as "pragmatism." Little wonder that many agency-level appointees developed an aversion to controversy. Under such conditions, it doesn't pay to make waves.

What did I learn? What's "new" about Washington is less important than what is unchanged since the days of Madison and Jefferson. What *is* new about Washington is the depth of ignorance about our political traditions and the infatuation with political technology. Technology is transferable, and left-liberal groups are now employing the fund-raising and campaign-management tools conservatives pioneered. What is not transferable is conservatism's commitment to certain fundamental concepts of the common good and constitutional government. Our strength is our integrity and consistency, not the technologies of manipulation.

Frederick N. Khedouri



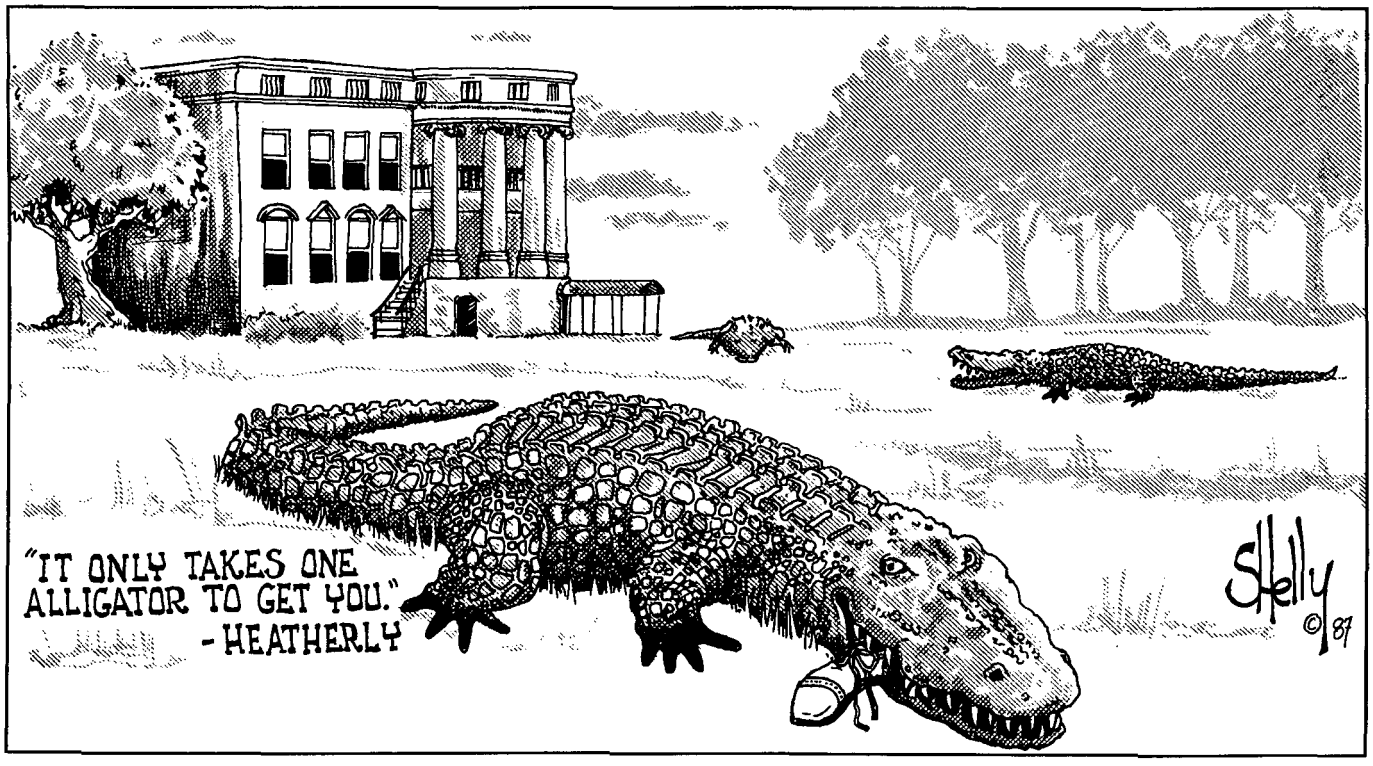
National Journal

Associate Director for Natural Resources, Energy, and Science, Office of Management and Budget, 1981-85; Deputy Chief of Staff to the Vice President, 1985-87. Mr. Khedouri is now an investment banker with Bear, Stearns & Company, Inc.

"Many notable accomplishments of the Reagan era were what is impolitely known as 'dumb luck.' "

Victory in Energy Policy

In the areas where I was involved, the administration's greatest accomplishment was the fundamental shift in federal energy policy put in place from 1981 to 1983. We deregulated the price of oil, abolished the Synthetic Fuels



Drawing by Shelly Fishman for *Policy Review*

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Corporation, eliminated numerous Department of Energy projects and subsidy schemes, and accelerated the development of a Strategic Petroleum Reserve. Advocates of a centrally planned energy economy lost the public debate after a decade of dominance.

When the Congress reversed its previously overwhelming support for the synthetic fuels program, I knew we could truly count a policy victory. Even relatively liberal members spoke on behalf of letting the market determine which technologies should prosper. The Carter-era vision of a National Energy Policy predicated on the false wisdom of a handful of Department of Energy planners quietly vanished. In what may be an even greater triumph, our viewpoint became fashionable among editorial writers and columnists.

We still have a Department of Energy, but this is one case in which substance has prevailed over symbolism. Spending on federal energy programs dropped from a Fiscal 1981 peak of $15.2 billion to less than $4 billion in fiscal 1987. The civilian component of DOE is a shadow of its former self, largely confined to useful activities such as *[supporting] basic research in physics.

Farm Policy Failure

My greatest disappointment can also be measured in dollar terms, as befits a former budget official. If the Reagan administration has experienced a miserable failure, it has to be in farm policy. We went from less than $9 billion in spending on farm programs in 1981 to a nearly incomprehensible $26 billion in 1985. Even worse, we went from a federal farm program in which modest numbers of farmers participated to one with total federal dominance of the farm sector of our economy and 100 percent participation.

The usual twin whipping boys of the Congress and a powerful set of special interest lobbies deserve much of the credit. But we made our share of big mistakes. Most notable was the great "deal" we made with the Senate Republicans in 1981 to avoid a veto of the Farm Bill.

The Agriculture Committee bill contained a provision to index price supports for inflation. We forced Congress through a veto threat to accept lower, but fixed, support levels. Little did we realize that the government's projections of inflation were wildly overstated, causing the administration's fixed support levels to be vastly more generous than Congress's supposedly higher indexed supports. This "victory" cost the taxpayers billions of dollars (We thought at the time it would save about $3 billion). Worse, it caused such a disparity between support prices and the market that it generated vast oversupply, drawing the government still deeper into the problem and spreading misery across much of the country.

The Insects and the Beast

What did I learn about Washington from my six-and-a-half years of service to President Reagan? That the people in the federal government who get the most attention—the Cabinet officers and congressional committee chairmen—are but a band of tiny insects traveling in the company of numerous reporters and cameramen on the back of a very large animal. The animal is the "Washington" of civil servants, Hill staff, lobbyists, program beneficiaries, and hangers-on built up over two generations; the "Washington" that Ronald Reagan ran against. Sometimes the insects make their bite felt and cause the beast to lurch. Most of the time their fight to be in the right spot for the cameras causes not even the slightest alteration in the beast's plodding progress.

I can list a hundred things that I would do differently knowing what I know now. For example, I know now that all policy change must be incremental in order to succeed. Yet I am convinced that many notable accomplishments of the Reagan era were what is impolitely known as "dumb luck." We had strong, relatively simple beliefs and tried to induce radical change because we didn't know any better.

So, perhaps lessons derived from our experiences are the wrong lessons for the next generation of appointees. If they know what we know now, they will be susceptible to the paralysis induced by the conventional wisdom. So I hope they do what we did in the fall of 1980 and early 1981: ignore most of the sound advice from people with experience and try to accomplish something of substance. If they approach the task with honesty, conviction, and a strong dose of selflessness, perhaps they can actually get to the other side of the river instead of getting caught in the eddies of the mainstream.

Constantine C. Menges

National intelligence officer for Latin America reporting to the Director of Central Intelligence, 1981-83; special assistant to the president for National Security Affairs, 1983-86. Mr. Menges is now a resident scholar at the American Enterprise Institute in Washington.

"Without an NSC advisor who assures that the president makes the major decisions and that these are carried out, the constitutional authority of the president to make foreign policy will be taken by unelected subordinates."

Liberation of Grenada

My first full day at the National Security Council was October 10, 1983. Two days later, one Communist faction overthrew another in Grenada and declared martial law. Transportation and communications with the outside were cut and about 800 U.S. medical students and other citizens were surrounded by troops and seemed in physical danger.

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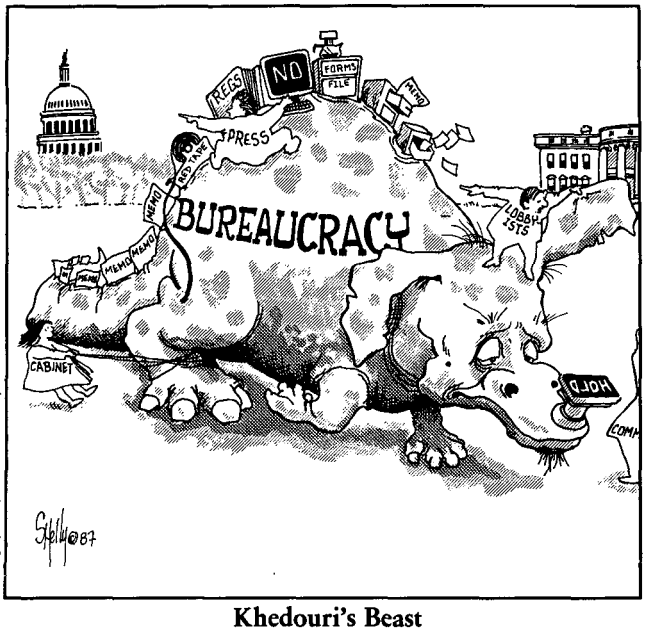

Drawing by Shelly Fishman for *Policy Review*

Khedouri's Beast

On October 13, I wrote a one-page plan for a collective security action in cooperation with the Caribbean island democracies to rescue our citizens and restore democracy. My intention was to brief National Security Advisor William Clark at the daily 7:30 a.m. senior NSC staff meeting the next day.

But, unexpectedly, Bill Clark moved from the NSC to become Secretary of the Interior. I gave copies of my plan to two NSC colleagues and asked them to think about it—one in particular was very negative and felt that with Clark gone there was no chance this could occur.

Over that weekend Robert McFarlane was chosen as the new NSC advisor. On October 17, I discussed my plan with Undersecretary of Defense Fred Ikle. At McFarlane's first senior staff meeting on October 18, I briefly outlined the plan and told him I had given it to Ikle and would be discussing it later that day with the ambassador to the OAS, William Middendorf, and would try to take soundings at State.

The next day, former Prime Minister Bishop, members of his cabinet, and about 40 others were killed in Grenada. I urged McFarlane to have the NSC take the lead and convene the Crisis Pre-Planning Group. He agreed. October 20, we met—State, Defense, CIA, and NSC sub-cabinet officials under Poindexter's chairmanship. State and the Joint Chiefs of Staff presented an idea they had discussed the day before—a quick "in and out" military operation to evacuate U.S. citizens. I argued that landing U.S. forces and then leaving an even more hostile and aggrieved Communist regime in place would be a mistake. I outlined my plan for combining our rescue with the restoration of democracy, doing this jointly with the Caribbean democracies. Ikle and Middendorf supported the idea and Poindexter said it should be discussed at the Cabinet-level that evening. For the next several days there was excellent teamwork among State, Defense, CIA and NSC.

Late October 21, the Caribbean democracies requested U.S. help in a collective security military operation. On Saturday morning, October 22, President Reagan made the decision to participate. That night terrorists killed 241 Marines in Lebanon. All day Sunday, October 23, President Reagan chaired a series of NSC meetings on both Lebanon and Grenada. At the end of the day he held to his decision. On October 25 our citizens were rescued, the people of Grenada were liberated, and today they are citizens of a functioning democracy.

This was the result of wise decisions by President Reagan and the Caribbean democratic leaders, and the skill and courage of all our armed forces. But, I do feel that it might not have occurred without my proposal and participation.

Failure in Nicaragua

My greatest disappointment is that we have not yet helped the people of Nicaragua achieve their objective of a democratic government, though it has long been within reach. Too many isolationists in Congress have ignored Sandinista subversive aggression, forgotten the democratic commitments made by the Sandinistas to the OAS in 1979, and failed to recognize the threat that a Communist Central America would pose to Mexico and Panama. These congressional isolationists have made a historic mistake in opposing military aid to the Nicaraguan freedom fighters year after year, in cutting it off in 1984-1985, and opposing its renewal in 1987-1988.

I knew that within the executive branch there would be major conflicts about foreign policy decisions—differences of judgment among reasonable, well-intentioned people are a normal part of life.

What surprised me was the number of times President Reagan's decisions were improperly countermanded by high officials of the executive branch who tried to carry out their own foreign policy rather than the president's.

By the summer of 1985, I had learned that without an NSC advisor who assures that the president makes the major decisions and that these are indeed carried out, the constitutional authority of the president to make foreign policy will in effect be taken by his unelected subordinates. Time and again I had to take exceptional measures to bring major issues to President Reagan—and fortunately succeeded before it was too late for him to save his policy.

Those of us working on Central America for the president's policy had to deal with a cunning, skilled Communist enemy that used political, propaganda, terrorist, and military means; the misguided, isolationist administration opponents in Congress; the generally negative media; and influential elements of the executive branch that had formulated or acquiesced in a foreign policy other than the president's.

Too Little Discussion with Allies in Congress

These tasks left me no time for talking informally with members of Congress and their staffs who have supported President Reagan's foreign policy efforts. A high-ranking former White House colleague urged me to find time for such discussion, believing correctly that better communication was needed between policy experts in the administration and political leaders on the Hill.

We need an *informal* setting where like-minded members of Congress, sub-cabinet-level officials, and a few

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outside experts can talk candidly about major foreign policy issues, trends, and opportunities for constructive action—well in advance of major decision points. Such discussion would help prevent the following potential reversals during 1988: the endless delay of SDI development and deployment, and the high probability that the Arias plan and similar false political settlements will bring about free world abandonment of freedom fighters in Nicaragua, Angola, and Afghanistan to be followed by significantly expanded Soviet-aided subversive aggression in Mexico, southern Africa, and the Persian Gulf.

Paul Craig Roberts

Assistant secretary of the Treasury for Economic Policy, 1981-82. Mr. Roberts now holds the William E. Simon Chair in Political Economy at the Center for Strategic and International Studies.

"It really is impossible to settle anything in Washington. A decision gets made, and the next day a story in the newspaper gets it changed."

The administration's most important economic policy accomplishment during my tenure—the tax cut of 1981—had already picked up considerable momentum by the time President Reagan was inaugurated. Ever since 1978, when both houses of Congress passed variations of the Kemp-Roth bill, tax cuts had enjoyed broad support in both political parties. The fight between the administration and Congress was about who would get credit for cutting taxes and not about whether they would be cut.

My greatest accomplishment was to prevent the president from flip-flopping immediately afterward. Within a week of his signing the tax cuts, David Stockman and Larry Kudlow were trying to get the president to turn around and come out for tax increases in the State of the Union message. That would have been disastrous, not just for the economy but for the president's political fortunes. I thought it would make him a one-term president.

Failure to Blame the Fed

My greatest disappointment was the administration's failure to hold the Federal Reserve accountable for the deficit. Today many traditional Republicans believe that the administration caused the deficit by cutting taxes and refusing to cut spending. The truth is that the administration *did* cut spending very successfully back in 1981, but the sudden, and unforeseen collapse of inflation turned what had been real cuts into real increases.

This could easily have been corrected if we had admitted that inflation had come down faster than expected, and that we had to rebase the budget by adjusting it to a lower growth of nominal GNP. A one-year freeze would have remedied the overbudgeting for inflation. But by failing to connect the deficit with monetary policy, the administration set itself up for the blame to fall on its fiscal policy.

There were three main reasons for this failure:

1) David Stockman wanted to blame deficits on fiscal policy, so he could take control of administration efforts to deal with the deficit. Calling for tax increases, while covering up for the Fed, served his personal agenda of giving the Office of Management and Budget the central policy role.

2) Most monetarists, both in and out of the administration, were so happy when inflation fell faster than expected that they didn't want to say anything critical of Paul Volcker or the Fed, even if that meant jeopardizing the tax cuts. Milton Friedman and David Meiselman were notable exceptions: They wanted both stable money and the renewal of private property rights represented by the tax cuts. But most conservative economic discourse came to the Fed's defense.

3) Almost all pundits in 1981 had predicted massive inflation as the result of the tax cuts, so the White House was as unprepared as anyone else for the sudden recession. The outcome was so different from everyone's expectations that the president quickly maneuvered to claim credit for the collapse of inflation—which meant he had to endorse Volcker. This claiming credit for something the president didn't predict was a fundamental disregard of history that has haunted the administration ever since.

Shallow and Egocentric Individualism

What did I learn about Washington? That envy doesn't simply prevent people from loving their enemies. It also prevents them from loving their friends. Envy takes a tremendous toll on leadership in Washington. It often explained why there was no fellowship, no uniting behind common concerns, in the Reagan administration. If you took the establishment point of view, you would get the support of the media. If you tried to lead in ways that Reagan said he wanted to go, envy among colleagues got in the way.

Individualism in Washington has become shallow and egocentric, as the quest for power and the appearance of power has crowded out fellowship. Any leader for a conservative cause is left isolated within the Beltway. Many people want policy positions for career reasons, and so they are prepared to sell out an agenda.

The second thing I learned is that it really is impossible ever to settle anything in Washington on the basis of evidence, or even good politics. A decision gets made, and the next day a story in the newspaper gets it changed. Knowing what I now know, I probably would have argued more strongly with Don Regan that he take the media into his confidence the way his peers were doing. The Treasury relied on fact and analysis in its disputes with OMB, and in the end, facts and analysis were not what was important. Anytime Stockman was defeated internally on the merits

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of a question, he would overturn the decision by planted stories and leaks to the media. Simply relying on facts puts you at a disadvantage.

Ralph L. Stanley

Special Assistant for Policy to Transportation Secretary Drew Lewis; assistant to Chief of Staff James Baker III; Chief of Staff to Transportation Secretary Elizabeth Dole; Administrator of the Urban Mass Transportation administration; Executive Director of the White House Conference on Small Business. Mr. Stanley is now senior vice president of the Municipal Development Corporation in New York.

"A needlessly confrontational or hostile relationship with the press will do more to frustrate policy implementation than anything else."

Each of the administration positions I held was a challenging policy-making role, and working directly for Drew Lewis, James Baker, and Elizabeth Dole was the greatest political apprenticeship one could imagine.

In a gradualist public policy process where policy decisions never seem to be final, it is difficult to point out a single accomplishment exclusively my own. However, I do believe that my tenure as Urban Mass Transportation Administrator (UMTA) brought about a long overdue national debate about what federal subsidies had actually bought for urban mobility, rather than measuring the program by merely what had been spent, which has been the tendency in Washington in many areas of unbridled spending. The courage to advocate the president's program of spending cuts rather than apologize for them resulted in a 25 percent overall reduction in federal funding for transit, less than hoped for, but progress nevertheless. There were, and are, too many officials in the administration who failed to remember that President Reagan was elected to reduce spending rather than add to it, and who viewed budget cuts in their own programs as unnecessary or unfair.

Ossified Congress

The budget debate also allowed me to implement a program of privatization in urban transportation that has become a major policy movement. The merits of privatization as a means of governing, as a way to deliver a good or service to an area or constituency, holds great promise for conservatives in the future. One cannot merely say "the private sector will do it," but rather one must show how that can be induced.

My single greatest disappointment was the inability to engage the Congress, whether a Republican Senate or a Democratic House, in a substantive policy debate on urban mobility. The federal mass transit program has spent $43 billion in 20 years and the number of people using mass transit has declined. That in itself is a perfect indication that the federal program was *not* achieving its policy goals. Urban mobility remains a problem in our nation's cities, and despite the obvious need for reform, no real policy review was initiated by the legislative branch. It is a perfect example of the current ossification in Washington. Liberal advocates of more spending often criticized me for polarizing the debate by focusing on the failures of the program. But that polarization was needed to highlight the different choices for policymakers. Privatization in urban transit remains a viable alternative to the thoughtless continuation of federal subsidies, but this choice has not yet been reviewed thoroughly by the Congress.

My greatest lesson about Washington was the role of the modern media in shaping the debate. I welcome the role of the press, and although a conservative, I still believe that the majority of reporters are open to new ideas on policy. Liberal activists, special interests, and others long ago learned the value of a favorable press, but the press cannot be taken for granted.

During my tenure at the Department of Transportation, the *Washington Post* reporter covering transportation policy, Doug Feaver, was the single best informed member of the transportation community I met in five years. He was receptive to new ideas, and would report them fairly. To succeed in public policy, it is necessary to work closely with members of the press and not exclude them needlessly, but instead try to explain the rationale behind your policy decisions. A needlessly confrontational or hostile relationship with the press will do more to frustrate policy implementation than anything else.

Need to Build Coalitions

With the benefit of hindsight, I would have changed my strategy on the implementation of our privatization policy. The ideas and strategy that have been ably outlined by Stuart Butler were extremely helpful in organizing coalitions and marshaling support to buttress policy.

The byzantine process by which federal policy is often formulated in today's Washington requires the ability to advocate policy initiatives to the media, Congress, special interest groups whose focus is increasingly narrowed, as well as pockets of interest within the executive branch. There can be no substitute for government experience for dealing with each of these groups, and the strategy of privatization coalition building is something I wish I had begun earlier. Instead of attempting to organize a coalition of groups that currently benefit from the program, I spent a year advocating the policy without that coalition.

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JOHN A. SVAHN

National Journal

Assistant to the President for Policy Development, 1983-86. Mr. Svahn is now a private businessman.

"Compromises in the personnel process allowed some really incompetent and/or uncommitted people to hold very high positions. When this occurred, the Reagan agenda usually went on the back burner."

Probably the greatest Reagan administration accomplishment I have been involved with was the California welfare reform instituted by Governor Reagan from 1970-72. In 1981, the same group of people accomplished the same set of policy and law changes at the federal level, but then the country understood the need for the changes. The program was much more controversial in 1971.

Solvency for Social Security

While I was in Washington, surviving the Social Security crisis of '81-82 had to rank at the top of my accomplishments. I was soundly ridiculed by the liberals and left-over New Dealers for the May 1981 announcement that the Social Security system would be unable to pay benefits on a timely basis in October 1982. I was eventually proved to be wrong; the system didn't run out of money until November 1982, one day after the election in which over 20 Republican House seats were lost solely on this issue. Four months later, the great bipartisan coalition came together and enacted changes that will keep the system solvent for a few decades. It was a long tough battle, but in the end the Congress looked at the options and chose the only two available: They cut benefits (mostly in the future) and raised taxes (mostly in the present).

Personnel was a major disappointment. The administration began with a fairly cohesive process for screening candidates for capability and philosophical credentials; with some notable exceptions, policy positions were occupied by conservatives and Ronald Reagan supporters. As the administration grew older, conservatives left: some out of frustration, others because of mistakes. Compromises in the personnel process allowed some really incompetent and/or uncommitted people to hold very high positions. When this occurred, the Reagan agenda usually went on the back burner.

Another disappointment was the process for making policy in the White House. Too few advisors had direct access to the president, and some of those who did had a total lack of policy awareness, so recommendations frequently went to the president without having been thoroughly thought through by the staff. The result was a number of policy decisions made by President Reagan that would have been attacked vigorously by candidate Reagan. Among the most disappointing were the expansion of the Medicare program at the expense of the private sector; the inclusion of heart transplants in Medicare; the reversal on Social Security after the Republican Senate had voted a COLA reduction; and the endorsement of the 1985 farm bill, which resulted in the Reagan administration spending more in one year on farm subsidies than the Carter administration did all four years.

I hadn't realized before how "revisionist" Washington is. What really *happened* has little to do with what the public reads in the papers or sees on the networks. From official revision (the press secretary explaining what the president meant to say) to the unofficial (a high White House official who refused to be identified), the events of each day get changed into someone's personal belief as to what did, or more often what should have happened. Revisionism has risen to new heights in this administration and it probably will continue until the last memoir is written.

Knowing what I know now, I would have spent more time encouraging young conservatives to join the administration and work in government rather than stand on the sidelines and criticize.

NORMAN TURE

Under Secretary of Treasury for Tax and Economic Affairs, 1981-82. Mr. Ture now is president of the Institute for Research on the Economics of Taxation.

"The entrenched career service personnel will capture the political appointee with stunning speed."

No part of the Reagan domestic program was of greater moment than economic policy, and no aspect of economic policy was more important than tax policy. To reduce the deadening weight of the federal government on the nation's economic life—the heart of the Reagan economic policy—required the elimination or at least the moderation of those features of the federal tax system that distorted the free market's price and cost signals, resulting in misallocation of production resources.

The initial targets in tax policy were reduction in the statutory—marginal—tax rates in the individual income

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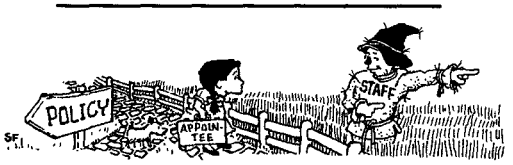
tax and the replacement of the antique depreciation system with a cost recovery system in the taxation of business income. Identifying these reforms as the essential elements of any tax legislation in 1981, withstanding most of the efforts to erode these reforms, and seeing them enacted in the Economic Recovery Tax Act of 1981 comprised my principal achievement; indeed, if modesty were not to forefend, I would identify ERTA as the major economic policy achievement of the Reagan administration to date.

By all odds, the greatest disappointment I experienced was my failure to persuade the Secretary of the Treasury and the White House to resist the blandishments to raise taxes as a means of reducing the federal budget deficit. It was predictable that any tax increases would at the outset undo many of ERTA's advances and would not effectively reduce budget deficits. Even more seriously, tax increases signified departure from the Reagan program's central objectives. The departure was completed by the Tax Reform Act of 1986, which, notwithstanding its notable achievements in reducing individual and corporate statutory income tax rates, represents the triumph of the traditional redistributive, anti-saving, anti-capital-formation tax reform program.

Perhaps the outstanding lesson I learned is that the entrenched career service personnel will capture the political appointee with stunning speed. There is no malice in this. The career servant relies on his accumulated knowledge as he responds to demands from the political appointee. He tells the appointee what he thinks is correct, never mind that he marches to quite a different drummer. The political appointee, meanwhile, seldom has the time or the resources to assess fully what he gets from the career servant; the heavier the demands on the appointee, *i.e.*, the more elevated and responsible his position, the sooner he becomes dependent on the career service. Maintaining the policy direction of the administration therefore becomes the single most difficult assignment for political appointees.

Improper Chain of Command

Unhappily, far too many of them fail to recognize this obligation or are unaware of their failure to discharge it. In retrospect, I would have insisted on a chain of command that precluded lower level appointees' working around my office to the Secretary and Deputy Secretary and to the White House. The Secretary failed to designate and implement rigorously a chain of command in which appointees in charge of technical staffs directed their work through the policy appointee. The predictable result was that the technical staff had little policy guidance. Technical personnel, including appointees, assumed policy responsibilities for which they were not qualified. The loss of policy discipline became evident in the latter part of 1981. It accounts, in very large part, for the shift from program achievements to self-defeating accommodation of those who not only misunderstood the Reagan program but were also hostile to it.



James Watt

Secretary of the Interior, 1981-83. Mr. Watt is now a businessman in Jackson Hole, Wyoming.

"I found that career civil servants were honest, hard-working, and able people willing to respond to clear direction."

My major accomplishment was in recruiting men and women who shared a conservative philosophy approach to the management of our nation's lands and natural resources. These recruits were not only political appointees but career bureaucrats as well. I found that career civil servants were honest, hard-working, and able people willing to respond to clear direction.

Bureaucratic opposition was generally not a reason for political failure in the administration; the main reason was usually a lack of political leadership. We told our political people that if they could not productively lead the career employees we would find someone who could. The results were marvelous.

With the help of career people, we were able to put in programs reflecting our conservative philosophy. We instilled an attitude of stewardship toward public lands. The liberal policy on public lands is to "take more" land from the private sector. The conservative policy is to "take care" of the land and natural resources already in the federal estate. As a result of our stewardship, the national parks, wilderness areas, timberlands, and coastal lands are all better managed and in better condition than they were in 1980.

Lack of Integrity in Congress

My biggest shock in Washington was the lack of integrity in many Members of Congress. I never realized there would be so much intentional distortion and disinformation among elected officials. Democrats and Republicans alike would promise you they would vote one way and then do just the opposite.

This was particularly true in the appropriations process. For instance, Members of Congress would promise in private to support reductions in funding on specific projects. When they would renege—and even publicly denounce the suggested the cuts—their excuse to me was pressure from constituents. I call it dishonesty.

In hindsight, I would have been much less cooperative with the press. During my first 10 months, I gave full and detailed explanations of our programs before formal congressional proceedings, but did not talk to reporters. Later

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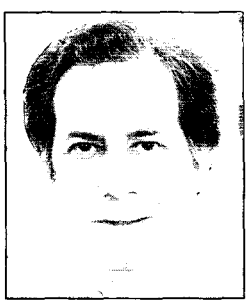
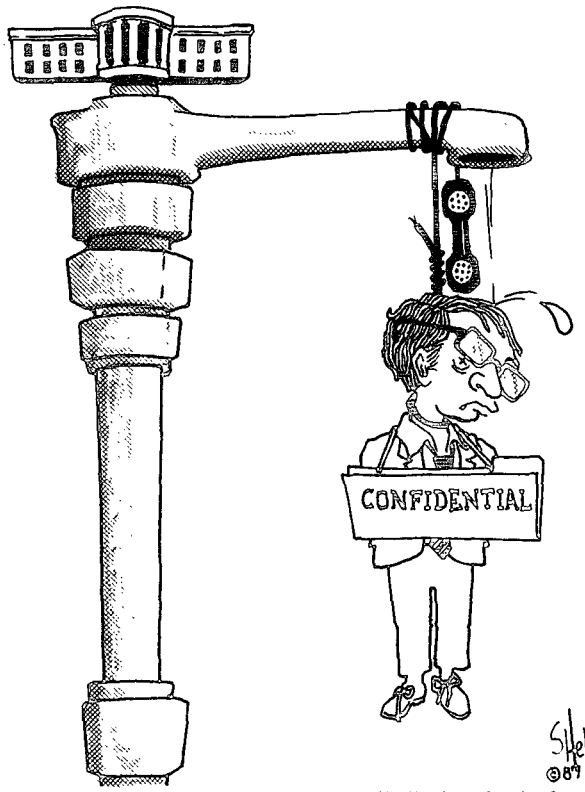
on, I tried to explain Interior policies to the public through the media only to be misquoted and sabotaged. The press and special interest groups actively sought to undermine the reasons and logic for our policies.

If I were to do it over again, I would stick to my original plan: implement our programs with explanation to Congress, announce the progress to the public, and bypass distortions from discussions with the press.

Murray L. Weidenbaum



Chairman of the Council of Economic Advisers, 1981-82. Mr. Weidenbaum now is director of the Center for the Study of American Business at Washington University in St. Louis.



Drawing by Shelly Fishman for *Policy Review*

"He who lives by the leak shall die by the leak."
—Weidenbaum

"*Our* ideologues can be at times even more difficult to deal with than *theirs.*"

Given the collegial or group nature of so much planning and decision-making in the Reagan administration, it is difficult to pinpoint a personal accomplishment—or failure. Moreover, the chief economic adviser is one of many voices that the president hears on public policy issues.

Regulatory Reform

In any event, I believe that my work during the campaign and transition on chairing, staffing, and directing the two regulatory reform task forces gave us a head start in moving from talk to action in this key area. The initial accomplishments of regulatory reform—reversing the "midnight" regulations pushed through by the outgoing Carter administration, setting up a continuing mechanism for regulatory review within the executive office of the president, and increasing the use of benefit/cost tests—are actions for which many of us can take real pride. The work of the task force also focused some attention on the members; quite a few subsequently became presidential appointees (7 out of 10).

I am pleased that, following the adoption of many of our recommendations, the pace of new regulations slowed substantially. The years since January 1981 represent the first extended period in several decades in which no new regulatory agency was set up and no major new regulatory program was established.

One of my most challenging tasks as chairman of the Council of Economic Advisers was to pull together the sometimes disparate views of supply-siders, monetarists, and conventional conservative economists. This task was helped by my coming into the Reagan administration without a private agenda. The White Paper of February 1981 (the first comprehensive statement of the Reagan economic program) was a high point of this effort.

Failure to Slow Spending Growth

Surely my single greatest disappointment was the failure to slow the growth of federal spending sufficiently to match the tax cuts of 1981. In that regard, there is more than enough blame to go around. Nevertheless, I remain a firm supporter of those landmark tax rate reductions. It is the wasteful, low priority, or postponable expenditures—present in every department and agency—that deserve to be eliminated or at least reduced substantially in order to reduce the awesome budget deficits.

Having been in and out of the federal government since Harry Truman's administration (I feel freer to admit that now), I am reluctant to say that I learned much about Washington that I did not know previously. Perhaps the one bit of knowledge that I secured was that "our" ideologues can be at times even more difficult to deal with than "theirs." I once described my position as chairman of the Council of Economic Advisers in 1981 and 1982 as follows: Monetarists to the right of me, supply-siders to the left of me, Keynesians behind me, politicians in front of me, and the boss's orders were to advance rapidly.

Knowing what I do now, I doubt that I would have done anything very much differently. Perhaps I might have listened more carefully to the admonitions of old Washington hands to cover my rear and to leak a bit. But, in reflection, I still doubt that I would have followed such advice. Leaking may be effective in jockeying for short-term position, but it is a poor long-term strategy for a proper process of public policy-making. As I remarked on the occasion of a widely-publicized incident involving one of my colleagues in the administration, "He who lives by the leak shall die by the leak."

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My Favorite and Least Favorite President

George Bush, Pete du Pont, Richard Gephardt, and Pat Robertson

Policy Review asked each of the dozen leading presidential candidates—Bruce Babbitt, George Bush, Bob Dole, Mike Dukakis, Pete du Pont, Dick Gephardt, Al Gore, Alexander Haig, Jesse Jackson, Jack Kemp, Pat Robertson, and Paul Simon—to write a paragraph or two on his favorite and least favorite president. What follow are the responses we have received.

George Bush

For his tolerance, compassion, and sense of humor, Abraham Lincoln is one of my favorite presidents. His guiding principles—his undying commitment to preserving the union and abolishing slavery—are what will live forever in my memory.

I am struck and impressed by Lincoln's sense of moral mission, his tolerance of political enemies who literally tried to rip apart our union and his ethical leadership. I am proud to say that today Lincoln's Party still stands for Lincoln's values.

Some presidents have been better than others, but I have no least favorite.

Pete du Pont

My favorite American president is George Washington because of his courage in the face of overwhelming odds, his commitment to the cause of freedom, and his vision for and dedication to his country.

Washington recognized the meaning of leadership. He was a man of action, commitment, and purpose. He led our nation to victory in battle and then oversaw the formation of the democracy as its first president. And he accomplished all of this in spite of overwhelming odds and certain defeat. His leadership of the army through the winter at Valley Forge is a perfect example of the difference a leader can make. As president, Washington guided this country through its first critical years when the role of the presidency had not yet been determined.

My least favorite president is Jimmy Carter because it was his lack of leadership that led to high inflation, high interest rates, and national insecurity.

While President Carter was busy fiddling about who was to play on the White House tennis courts, Iran and other foreign policy matters were left to burn. During his presidency, the Soviets invaded Afghanistan and the Sandinistas gained control of trouble-plagued Nicaragua. It was during the Carter administration that our country was hit with double digit inflation and 20 percent interest rates.

The reason these problems surfaced is that President Carter did not understand that leadership does not mean micromanaging bureaucracies and wearing cardigan sweaters in front of fireplaces while asking people to make unnecessary sacrifices. True leadership comes by providing the American people with opportunity. True leadership means removing barriers to opportunity instead of putting new ones up. Fortunately, the Reagan presidency has corrected most of the problems caused by the Carter administration.

Richard Gephardt

My favorite president is Harry Truman, a fellow Missourian who understood that it is the president's duty to tell the American people at times what they need to know rather than what they want to hear.

Pat Robertson

The president I hold in highest regard is George Washington. There is no explaining Washington's life without referring to his concept of honor, and an essentially religious conviction that God would hold him accountable for the direction American independence would take.

The central issue of our war of independence was British encroachment on the rights and liberties of the colonialists. As a proponent of the non-importation agreements prohibiting trade with England until the hateful "Stamp Act" was repealed, Washington wrote that members of the Parliament had "no more right to put their hands into my pocket, without my consent, than I have to put my hands into yours for money."

Washington viewed the federal government as little more than a referee in state affairs. He rightly expected

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American society to prosper on its own initiative, as long as it was defended from attack and anarchy. And so, he favored the plan for a national bank and essential elements of the financial system, but he disapproved of Alexander Hamilton's plans for "internal improvement" that would have strengthened the role of the federal government at the expense of states' rights.

Washington's presence and influence at the Convention of 1787 was indispensable to the ratification of our greatest national treasure—the Constitution of the United States of America. His impact on shaping its precepts, especially the powers of the executive branch, cannot be overestimated.

The president I view with least favor is William Howard Taft. Taft abandoned the essential tenets of Christian theology for the liberal values of unitarianism and a philosophy strongly influenced by social Darwinism. This worldview was to have a significant impact on his actions as president.

Corporate regulation and the tariff were the top issues of Taft's day. As he promised in his campaign, Taft called a special session of Congress to formulate a plan for lowering tariffs. To make up for an anticipated loss in revenues (which turned out to be, at best, minimal), Taft first considered imposing a graduated inheritance tax. When this drew negative responses from members of Congress, he then proposed instituting a personal income tax.

The great irony is that, although he would go on to become Chief Justice of the Supreme Court, Taft took great pains to circumvent the Court's decision of 1885, which declared such a tax unconstitutional. Taft went on to propose the 16th Amendment to alter the Constitution so that a federal income tax could be legally imposed on Americans.

While this maneuver was underway, Taft proposed a further amendment to the tariff bill for the purpose of levying a corporate tax as well. Gaining a measure of control over corporate profits was considered by him as the greater accomplishment in advancing his principle of national supervision. Under his presidency, the civil service was greatly expanded and, for the first time in American history, a budget bureau created.

In roundabout fashion, Taft succeeded in undermining states' rights and the individual liberties for which honorable men like George Washington and the Framers of our Constitution had fought so valiantly. Without the power of taxation, the federal government would never have evolved into the unwieldy instrument of socialistic policy we are saddled with today.

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JOBS FOR THE WELFARE POOR

Work Requirements Can Overcome the Barriers

LAWRENCE M. MEAD

Work for welfare recipients has suddenly become a hot topic in Washington. Politicians say they want to place more dependent adults in training or employment programs. Some even claim we can turn welfare into "workfare," as President Nixon promised when he proposed his own ill-fated welfare reform nearly 20 years ago. The idea is popular, as the public has long wanted recipients to do more to help themselves.

The workfare debate has been brewing for several years. In 1981, Congress, under prodding from the Reagan administration, allowed states for the first time to introduce serious work requirements in Aid to Families with Dependent Children (AFDC), the main federal welfare program. Then, two years ago, President Reagan announced a further effort to reform welfare, leading to a flurry of work-oriented proposals from groups on the left and right.

A White House task force led by Charles Hobbs produced "Up From Dependency," a proposal for wider experimentation, including work initiatives, at the state and local levels. The administration also proposed Greater Opportunities through Work (GROW), which would define more AFDC recipients as employable (particularly by including mothers of preschool children) and would, over several years, require states to involve the great majority of these clients in school or work programs. The main features of the Hobbs and GROW plans have since been incorporated in HR 3200, a proposal by House Republicans drafted by Hank Brown and Bob Michel. The emphasis in all these plans is on stiffening work requirements. Funding for work programs would be increased slightly, if at all.

Democratic plans, however, have downplayed requirements in favor of greater spending. In the House, a bill largely drafted by Thomas Downey and supported by party leaders (HR 1720, recently renumbered HR 3644) was passed December 16, 1987, on a largely party-line vote. In the Senate, Daniel Patrick Moynihan of the Finance Committee has produced S-1511. Both bills would increase welfare benefits as well as spend more on child-care and job training services. But neither would effectively strengthen the requirements for work bearing on recipients or states. Indeed, both would restrict some "workfare" programs that states already have in effect. Theses bills would, if enacted, effectively revive the overblown, but voluntary, employment of programs of the 1970s. Since the administration opposes these plans, the odds currently favor no reform or a compromise bill that would make only marginal changes.

Liberal reformers presume that welfare recipients fail to work because they face special "barriers," notably a lack of jobs, child-care, and training opportunities. If government provided more of these things, liberals assert, welfare work levels would rise. That is a misconception. Research has shown that the presumed impediments rarely keep people from working, at least in low-skilled, low-paid jobs. The main reason for nonwork, rather, is the reluctance of many recipients to take such jobs. The main task of welfare work policy is to overcome that reluctance. While this probably requires some new services, it above all requires more clear-cut *requirements* that recipients work in return for benefits. Those who favor increased benefits are seeking not so much to promote work as to advance the traditional liberal interest in social equality.

Reform, to be effective, must abandon the illusion that work is impossible for the poor. The major obstacles to welfare employment lie in the minds of the poor, and in the permissive attitudes of federal legislators. Welfare policymakers must believe what the facts show—work can be required of the majority of adult recipients.

Nonwork and Dependency

The work issue has come to the fore for a good reason: Nonwork is the immediate cause of much poverty and dependency today. There is still a tendency to see the poor simply as victims entitled to government redress. That view is most plausible for the elderly and disabled poor, whom society does not expect to work. But, it is implausible for families headed by able-bodied people of working age, whom society does expect to work.

This article focuses primarily on working-age adults; I

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do not suggest that children, the elderly, or the disabled should work. I also recognize that much of poverty is transient, and that half of all welfare cases leave the rolls in under two years. I am speaking here mainly of the long-term cases, and especially about the welfare mothers and absent fathers whose reluctance to work helps create entrenched dependency.

Among the working-age poor, poverty usually arises, at least initially, because the adults involved do not work normal hours. Of the heads of poor households in 1984, only 17 percent worked full-time, while 51 percent did not work at all.[1]

In a world where most people still have to labor for a living, it is hardly surprising that *how much* one works often makes the difference between poverty and sufficiency. In 1986, fewer than 4 percent of families whose heads worked full-time were poor. The rate jumped to 20 percent for heads working part-time, and to 24 percent for heads not working at all. Among female-headed families, the comparable figures were 10, 48, and 56 percent, an even steeper gradient.[2] As Mary Jo Bane and David Ellwood have shown, about half of all spells of poverty begin through a drop in family earnings, and 75% of them end through an increase in earnings.

Most families go on welfare because of the breakup or nonmarriage of parents, but nonwork often keeps them there. Very few adults work while they are on welfare. Only about 6 percent of AFDC families had earnings in May 1982, though a higher proportion do sometime during a year. Work is least common for the long-term dependent; after two years on the rolls, fewer than 5 percent of mothers leave because of work or reasons other than remarriage.[3]

For most women who head families, work is quite simply the difference between going on welfare and avoiding it. Two-thirds of female family heads who do not work are on welfare, while only 7 percent of those who work full-time are. A fifth or more of welfare mothers also leave the rolls through work, a route second in importance only to marriage.[4]

Those who doubt the efficacy of work in combating poverty point to the working, not the nonworking, poor. It is true that most poor families have some earnings, yet remain needy. But few of these families have members working full-time. Many more people are poor for lack of work than despite work. Moreover, for the vast majority of workers, poverty is uncommon or transient. Fewer than 3 percent of able-bodied, working-age adults lived in poor households with any earnings in 1970, and only 15 percent of these—or 0.3 percent of all working age adults—were also poor in 1980.[5]

To work substantial hours and still be poor, one must usually combine low wages with a large nonworking family. It is true that almost a third of all jobs do not pay enough to keep a four-person family out of poverty, but that assumes that only one parent works, even though both parents in most families work. In fact, since so many families have more than one worker, fewer than a fifth of workers who work at or below the minimum wage actually live in poor families.[6] In general, low wages cause economic *inequality*, not poverty. Low working hours are a much more common cause of poverty and dependency.

A generation ago, many more of the poor were working. In 1959, 32 percent of the heads of poor families were working full-time, and only 31 percent did not work at all.[7] Many more workers simply could not get above the poverty line then because of low wages or racial discrimination. Moreover, many more of them were elderly and disabled. It was easier to argue that the poor were "deserving," the victims of adverse conditions over which they had no control.

Since then, formalized racial discrimination has ended, and economic growth has carried most adults and their families above the poverty line—provided they are working. The main problem for the remaining poor adults is that they do not work steadily. That has shifted the debate about the reasons for poverty. Before, nonwork was only one of several causes. Now, it is itself the main mystery to be explained, as it so often leads directly to poverty, especially for welfare families.

The real problem job-hunters have with the job market is job *quality*, not *quantity*. There are plenty of jobs, but many fewer that people *want* to do.

The policy debate about how to overcome poverty has also shifted from benefit levels to employment strategies. Policymakers recognize that to reduce nonwork would reduce dependency among people of working age. But should programs to that end focus on "barriers" to employment or on work obligations? Liberals focus on lack of jobs, child-care, and training.

The Jobs Debate

The main argument for a job shortage has always been the high unemployment of the last two decades. The overall jobless rate touched 10 percent in 1982-83, and much higher rates are routinely recorded for the groups most likely to be poor and dependent—minorities, women, and youth. Many take this as *prima facie* evidence that enough jobs must be lacking for all who seek them.

Job pessimists say social trends have overcrowded the labor market. The economy of the 1970s and early 1980s was prone to recession, yet it also had to absorb an enormous glut of new workers. The huge baby-boom generation came of age, and more women sought employment than ever before. As a result, between 1970 and 1985 the labor force—those working or seeking work—grew by an astounding 38 percent. Apparently, a tepid economy could not keep pace. Job-seekers outnumbered jobs. In the scramble for employment, the poor and dependent inevitably lost out.

But this account is outdated. Unemployment has fallen

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to 6 percent or below. Whatever its troubles, the economy has created jobs on a scale never before seen. From 1970 to 1985, total employment grew by 28 million jobs, or 35 percent, almost enough to match the growing labor force. Since the end of the 1981-82 recession, job growth has considerably outpaced the entry of new workers, which is slowing down with the "baby bust" that followed the baby boom.

Some critics say the new employment is no more than a symptom of the "deindustrialization of America." Many of the new jobs pay less than traditional manufacturing jobs. Many are part-time. They tend to fall in the service sector, which includes work in restaurants, hotels, conventions and entertainment, the maintenance of buildings and equipment, and other support services for business. It is easy to dismiss such jobs as marginal. But what unionized steel and auto workers used to make is not a realistic income standard now that our economy faces stiff foreign competition.

Welfare employment programs overinvested in training, only to see very few trainees go to work in available jobs. The current liberal reform proposals would repeat that error.

Even if a decline in job quality has occurred, it could not explain nonwork. For, in the face of lower wages, one might expect people to work *more* rather than less in order to maintain their incomes. That is what most Americans have done. During the 1970s, growth in real wages stagnated. Many housewives responded by seeking work for the first time. Many men took extra jobs. Average working hours rose. Only among poor and dependent people was there, in general, a flat or negative response. Work levels of welfare recipients rose hardly at all, even though benefits fell in real terms due to inflation. Poor blacks did not share in the great economic strides made by the black middle class during this period. Black men as a group reduced their labor force participation rate from 77 percent in 1970 to 71 percent in 1985, much more than whites.

Some might say that recipients fail to accept low-paid employment because they have the alternative of welfare. In other words, jobs must pay more than welfare does before it is worthwhile to take them. But this argument presupposes falsely that recipients have to leave welfare if they work. Actually, of mothers entering work in the typical AFDC work program, about half still receive some assistance. Because of this supplementation, welfare mothers should actually be freer to take low-paid jobs than many other people. Welfare and work are mutually exclusive only for unemployed fathers (whom states may choose to cover under AFDC), who may not work more than 100 hours a month without losing AFDC eligibility. But they represent only a small part of the employable caseload.

Joblessness in a Labor Shortage

Across most of the low-skilled labor market, there is now a manifest labor shortage. Low-skilled jobs have become particularly hard to fill in suburban areas, where some employers have taken to transporting labor from inner-city areas at their own expense. Many are being forced to pay well above the minimum wage even for unskilled work. The presence of 7 million or more illegal immigrants in the country, mostly in urban areas, is testimony that at least menial jobs must exist in many cities as well. Without the illegals, many restaurant and laundry owners say they simply could not operate, because most citizens will not accept "dirty work."

To argue that sufficient job opportunities are unavailable today, one must contend that the poor are somehow walled off from the opportunities that do clearly exist. One such argument maintains that the labor market is "dual" or "segmented." Access to the preferred jobs is allegedly controlled by government, large firms, and nonprofit institutions, which hire on the basis of externals such as race or educational credentials, not actual ability, and thus choose mainly the better-off. The poor are relegated to menial or service-sector jobs that are transient and poorly paid. Actually, research has not demonstrated that labor markets treat the low-skilled unfairly. In fact, as shown by the University of Michigan panel study of income dynamics, blacks and the low-skilled, as well as whites and the better-off, experience considerable economic mobility over time, both up and down the economic ladder.

Another version is that there is a "mismatch" between most available jobs and the location or skills of the poor. As John Kasarda has shown, much employment has migrated to the U.S. Sunbelt or even overseas from the Eastern and Midwestern cities where most poor and dependent people live. Employment opportunities have also moved from inner cities to the suburbs, where urban job-seekers have great difficulty reaching jobs because of inadequate public transportation and costly housing. These shifts have been most pronounced among manufacturing employers whose jobs—manual but well-paid—offered the best opportunity to low-skilled workers. Of course, a "high-tech" economy based on finance, information, and computing has grown up in many central cities. But high-tech work, so the argument goes, demands employees with strong communication or technical skills, while most poor adults have only limited education.

William Julius Wilson claims such shifts go far to explain the extraordinary dysfunctions found in the inner city. In *The Truly Disadvantaged* (University of Chicago Press, 1987), he argues that old-fashioned racial discrimination has receded, but he attributes much of the urban social breakdown to a changing economy that has denied previously available opportunity to poor black men.

Job Expectations Mismatch

One trouble with the "mismatch theory" is that employment today does not usually require advanced skills. Not

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everybody in the "high-tech" economy is a financier or a computer programmer. Though fields like these are fastest growing, the most hiring in the future, as in the past, will be for low- and medium-skilled workers, such as secretaries, janitors, retail clerks, and truck drivers. New York City is a center of the "information economy," but in 1981, 57 percent of its employment required only a high school diploma or less. That is a decline of only 1 percent since 1972.[8]

The notion of a spatial mismatch in the labor market has been undercut by studies of Chicago by David Ellwood, and of Los Angeles by Jonathan Leonard, showing that the need of inner-city blacks to commute to jobs in the suburbs is only a minor reason for their unusually high unemployment. Even when poor blacks live as close to jobs as white or Hispanic workers, many fewer of them work. It is also doubtful that the black poor are as concentrated or as isolated from the rest of society as Wilson suggests. According to recent research by Mary Jo Bane and Paul Jargowsky, that problem seems acute only in a few large cities, especially New York and Chicago.

Although cases of long-term joblessness attract the most attention, most of the unemployed remain out of work only briefly. More have quit their jobs or just entered or reentered the labor force than have been "thrown out" of work. This pattern of turnover, rather than steady work, is most pronounced for minorities, women, and youth, the groups with the highest unemployment. White, male, and older workers tend to hold the same jobs longer.

Surveys have shown that most unemployed are jobless not because they cannot find any work, but because of the expectations they have about wages and working conditions. According to a Labor Department survey done in 1976, the average jobless person wants a 7 percent *raise* to go back to work, and his demands drop below his previous wage only after almost a year out of work. Most unemployed are also unwilling to move or commute more than 20 miles to reach new jobs.[9] One may remain unemployed by the official definition even if one's expectations from the job market are totally unrealistic. It is thus wrong to take the presence of unemployment as proof that jobs are lacking.

Surveys focused specifically on the poor and dependent find much the same. Among poor adults, only 40 percent of those working less than full-time give inability to find work as the main reason, and only 11 percent of those not working at all do so. For poor blacks the comparable figures are 45 and 16 percent.[10] Other constraints, including health problems and housekeeping responsibilities, are important, especially for nonworkers. Inner-city black youth regularly record unemployment rates over 40 percent, yet 71 percent say they can find a minimum-wage job fairly easily.[11]

The adverse trends cited by Wilson and others have depressed the quality of jobs much more clearly than the number of jobs. In most areas jobs of some kind are commonly available, even to the low-skilled. Jobs are often *available* but *unacceptable* to job-hunters, both rich and poor.

Liberal reformers also say that welfare mothers face special difficulties in working. After all, AFDC was first instituted in 1935 on the supposition that mothers heading families were unemployable. They were supposed to stay home and raise their children. If we now demand that they work, government must first guarantee them child-care.

But the surge of women into jobs has changed social norms. Welfare mothers can no longer be seen as unemployable now that more than half of female family heads with children under 18 are working, nearly three-quarters of them full-time. For divorced and separated mothers like those on AFDC, the working proportion is nearly two-thirds. Welfare mothers are distinctly out of step. Only about 15 percent of them worked in the 13 years prior to the 1981 cuts in AFDC eligibility, which removed most working mothers from the rolls. This was so even though the mothers were often more employable during that period—younger, better-educated, and with fewer children (over 70 percent now have only one or two).

Welfare mothers can no longer be seen as unemployable now that more than half of female family heads with children under 18 are working.

While children certainly make work difficult for mothers, they are not the hard-and-fast barrier that is often supposed. In fact, as high a proportion of single mothers work as do single women without children.[12] Even young children are not prohibitive. Welfare mothers with preschool children may be no less likely to work their way off the rolls than those with older children, and two-thirds of mothers who leave welfare this way still have children at home.[13]

Working mothers certainly need child-care, but they seldom rely on organized facilities such as government child-care centers. Only 9 percent of primary child-care arrangements by working parents involved day-care centers or nursery schools in 1984-85. Even for the most dependent group, single mothers with children under 5, it was only 27 percent. Overwhelmingly, the parents rely on less formal arrangements, chiefly care by friends or relatives, either in their own homes or that of the caretaker.[14]

Apparently, they arrange care fairly easily, as fewer than 6 percent of working mothers in a given month lose time on the job because of problems with their child-care arrangements.[15] In only 10 percent of cases is the availability of care critical to a mother seeking work; finding the right job is much more important.[16]

Child-care advocates claim that the parents would use more center care if it were available. But most mothers prefer informal arrangements, probably because they have more control over them. When government has offered free care in centers as part of social experiments, it has sometimes gone untaken. Informal care is also much less

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costly than center care, which must satisfy elaborate government staffing and licensing rules.

There appears, in fact, to be little unmet need for child-care. That is why proposals for a national day-care program covering the general population have always failed. Of course, government must *pay* for care for welfare mothers if it wants them to work. It already does this, usually by adjusting the mother's grant, while they are on welfare. More funding for transitional care after they leave welfare may be needed. But government need not provide the care in its own facilities.

What liberal reformers call "barriers" are mostly the ordinary demands of employment—demands that most working Americans cope with every day.

Training Oversold

Finally, liberal reformers say that adult recipients can be expected to work only if they first receive training to raise their skills and earnings. Otherwise, they will fail to get jobs or, if they do get them, will not earn enough to get off welfare or out of poverty. That is the rationale behind the heavy emphasis on training in the Democratic reform plans.

The benefits of training have been deduced from evaluations of some of the post-1981 work programs by the Manpower Demonstration Research Corporation (MDRC). These suggest that well-run training and jobs programs for recipients have the potential to raise their income by as much as 25 percent, as well as reduce dependency.

But training is easily oversold. The earnings gains in even the best training programs are limited, seldom enough to get welfare families entirely out of poverty or off welfare. Furthermore, "training" can be a misnomer, as few programs raise the skills of adults on welfare, most of whom have shown little ability to learn in school. The main impact of training programs is not on job quality but on motivation—on causing the clients to work *more hours* in the rudimentary jobs they are already able to get.

The best training programs tend to be highly authoritative, aimed at impressing on clients a responsibility to work at whatever job they can get. Nondirective programs can actually *depress* work effort, as clients embark on unrealistic training programs for "better" jobs at the expense of immediate employment. Welfare employment programs have made that mistake in the past. They overinvested in training, only to see very few trainees go to work in available jobs. The current liberal reform proposals would repeat that error.

Nor is training usually necessary for work. In fact, welfare mothers average 2.6 years of work experience since they left school.[17] Many work "off-the-books" while they are on welfare, a dodge that work requirements help to detect. Their problem is seldom that they are literally unemployable but rather that they do not work *consistently.*

This is not to say that work is easy for welfare mothers, or for anyone. Serious effort is required to find a job and to arrange one's private life for work. But these burdens do not seem notably greater for the poor and dependent than they are for other low-skilled people. What liberal reformers call "barriers" are mostly the ordinary demands of employment—demands that most working Americans cope with every day. Welfare adults face serious difficulties landing well-paid jobs, but not low-paid ones. Moreover, if the benefits provided in liberal reform bills were really necessary to employment, how do so many other low-skilled workers do without them?

Government could perhaps overwhelm these so-called barriers with benefits, guaranteeing jobs, child-care, and training especially for the poor and dependent. But to do that would be unfair to the many other Americans who already work in menial jobs without special assistance. It would also be ineffective in integrating the poor, because they would not earn the respect of others. Work where government bears all the burdens without holding the employee accountable for performance is not really work. It is simply another form of welfare.

The Psychology of Nonwork

To explain nonwork, therefore, it is more promising to look inside the poor than outside—to the mentality of those who have difficulty working. There have been three main psychological theories of nonwork.

The most common, but the least plausible, is that welfare recipients are deterred from working by the "disincentives" inherent in welfare itself. If they take a job, their earnings are normally deducted from their welfare grants, leaving them no better off than before. Why then should they work? Some conservatives find the deterrent prohibitive. They conclude that the poor will work only if welfare for the able-bodied is abolished. Liberals, instead, say the problem can be overcome with "work incentives," a policy of deducting only part of earnings from the grant, restoring at least some payoff to work. On this logic, Congress in 1967 allowed AFDC recipients to keep about a third of any earnings, in hopes that more of them would work.

However, research has failed to discover more than a weak connection between welfare benefits levels and work effort by recipients. Ellwood and Bane find that welfare disincentives have more impact on the structure of welfare families, by promoting divorce and especially by causing young unwed mothers to leave home and set up their own households. Work levels on welfare did not rise after work incentives were instituted, nor when real benefits fell during the 1970s. The main effect of incentives has been to expand eligibility for welfare and hence costs, by allowing more working people to get on the rolls despite their earnings. For these reasons, in 1981 a disappointed Congress withdrew most of the AFDC work incentive it had granted in 1967.

One might still argue that the mere presence of welfare

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depresses work levels below what they would otherwise be. But in a world where welfare already exists, variations in benefits and incentives have little further effect.

The disincentives theory is also implausible because of its economic logic. It assumes that the nonworking poor are rational in the economist's sense, that they calculate what will serve their pecuniary advantage and then act accordingly. But the mentality of most long-term poor people today is decidedly *non*-economic. Behaviors such as illegitimacy or crime may satisfy impulses, but they are not rational in any longer-run sense. Similarly, there is no way that nonwork can rationally be regarded as self-serving—especially given the very real opportunities that exist in this country, even for the poor. If the poor were as sensitive to economic payoffs as the disincentives theory supposes, they would seldom be poor in the first place.

A more persuasive theory is that nonwork is political. Perhaps nonworkers are not acting to maximize their incomes. They are protesting, by refusing to work, against the unattractive jobs the economy offers them. They demand that government force employers to pay them more or provide "better" jobs in government itself. To make that point, they will decline to work even though this is personally costly to them. Nonwork, in this view, is analogous to a strike for better wages and working conditions.

This interpretation fits the behavior of many nonworking men, especially ghetto youth. Members of this group do tend to see demands that they accept menial jobs as a denial of rights, a form of racial subjugation. They often resist direction by the staff of training programs, one reason they usually benefit less from training than do women. Black youth often refuse jobs that pay them less than white youth, even if this means they remain unemployed. Some welfare mothers say they should not have to take menial jobs, for example as domestics. They demand jobs with better pay and career prospects. Such feelings were aggressively voiced by the welfare rights movement of the 1960s.

The problem with this view is that political action is supposed to be proud, open, and collective in nature. Nonwork seldom is. Rather, it is individual, secretive, and frequently ashamed. Studies of the poor do not suggest that they are rebellious. Most, in fact, are deferential to all mainstream mores—to the despair of those who would see them as a revolutionary class. Most clients in workfare programs actually respond *positively* to the experience of being required to work, not negatively as they would if they truly rejected work. The majority accept the requirement as fair, and they feel they are contributing to society. They do not share the view, propagated by advocate groups, that workfare is negative and punitive, intended only to drive needy people off the rolls.

Culture of Poverty

The difficulty with both the economic and political theories of nonwork is that they assume that behavior corresponds to considered intentions. If the poor do not work, then they must not want to. The third and most plausible theory, especially for welfare mothers, may be called the "culture of poverty" theory, which says that aspirations can be radically inconsistent with behaviors. Thus the poor *want* to work and achieve other orthodox values but feel *unable* to do so because of forces beyond their control. They would like to observe strictures such as obedience to law, but feel they cannot in the circumstances they face. Social norms are held as *aspirations*, but not as *obligations* binding on actual behavior.

The tragedy of low-income life is that a pathological culture in which the poor participate often overrides their good intentions. Parents want their children to avoid trouble but lose control of them to a street life of hustling and crime. Children want to succeed but lack the discipline to get through school. Girls want to marry and escape poverty but succumb to pregnancy and welfare. Youths want to "make it," but can earn the money they want only by selling drugs.

Requirements suit the irresolute mentality of the poor. They *want* to work but feel they *cannot*.

Specifically, the poor are as eager to work as the better-off, but the strength of this desire appears to be unrelated to their work behavior. Whether they actually work depends, rather, on whether they believe they *can* work and *must* work. If they have successfully held jobs in the past and/or accept low-level positions to begin with, they will probably know they *can* work. If they have not become dependent on welfare or illegal sources of income, they probably will accept that they *must* work in order to survive. But simply the desire for employment is insufficient to make a person work. For those who do not accept these attitudes, work remains an aspiration, neither achievable nor required.

Disadvantaged clients in work programs often will accept work only if government first assumes most of the burdens of achieving it. They demand that the program arrange child-care and transportation, provide training, and, above all, guarantee attractive jobs in advance. To do these things does increase their interest in work, because they now feel they are "succeeding." But government cannot afford these burdens. And even if it could, guaranteed "employment" would not really be work, because it would not impose any real responsibility on the client. Work that is only a benefit, not an obligation, is welfare in disguise. The "welfare mentality" that expects everything from government is itself a barrier to employment, greater than any practical impediment the needy face.

The federal government learned this lesson during the 1970s, when it tried to provide government jobs for the poor on a large scale. As many as 750,000 positions a year were funded under the Comprehensive Employment and Training Act (CETA). This "public service employment" (PSE) was supposed to allow disadvantaged workers to experience "success" in relatively comfortable, well-paid jobs arranged by government in local agencies. It was hoped that they would grow more accustomed to work

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and then make the transition to regular employment.

But few did. After their CETA jobs ended, most clients went on unemployment or welfare, entered another training program, or left the labor force rather than take a regular job. In 1977, only 22 percent of disadvantaged PSE clients "graduated" from the program, less than half of them for unsubsidized jobs, and most of those, like the PSE positions themselves, were in the public sector.[18] The hitch was that the private jobs these workers could command offered them nothing like the pay and security they had known in government. Real work will always be tougher than a guaranteed job. That disappointment as well as other controversies—particularly the diversion of slots to support regular municipal employees—persuaded Congress to kill PSE in 1981.

At the core of the culture of poverty is the conviction that one is not responsible for one's fate, what psychologists call inefficacy.

At the core of the culture of poverty is the conviction that one is not responsible for one's fate, what psychologists call inefficacy. The long-term poor tend to feel that success or failure depends, not on their own efforts, or lack thereof, but on arbitrary forces beyond their control. If they fail in school or on the job, for example, they are more likely than the better-off to attribute it to the undeserved hostility of teachers or supervisors, or to racial discrimination, even if personal behavior is really to blame.

Inefficacy seems to be the result primarily of weak socialization. Due to erratic parenting, many poor children fail to internalize goals such as work and self-reliance with enough force to feel them as obligations—partly because the parents have often been unable to control their own lives. Welfare mothers who are dependent a long time often grew up in female-headed families; and youth who do not work often come from families living on welfare or in public housing.[19]

These psychological theories, and especially culture of poverty, illuminate the real character of the work problem. Few poor adults, outside the disabled, are literally unemployable, but a great many have problems of work discipline. They find work with little more trouble than other people, but they have a great deal more trouble keeping it. They quit low-paid jobs rather than sticking with them long enough to earn raises and qualifications for better positions. The problem is partly rejection of the available jobs, but mostly an inability to *commit* to them. The long-term poor never get their feet on the bottom of the economic ladder, and thus never climb it.

Federal policies to promote work have succeeded when work discipline could be taken for granted. Measures to manage the business cycle and promote economic growth have expanded employment for all workers, rich and poor. Civil rights enforcement put an end to overt discrimination against minority workers, leading to rapid growth of the black middle class. Opportunity is all that is needed to overcome poverty when workers are committed, and that includes most adults of every race.

Why Work Must Be Required

But work policies fail when discipline cannot be assumed. Employment programs aimed specifically at the poor and disadvantaged have shown little impact, mainly because they asked, and got, little commitment from their clients. The error of federal incentives, training, and jobs programs was that they offered only benefits in one form or another, without firm work requirements. All attempted, one way or another, to raise wages per working hours, as if low wages were the major cause of poverty. None directly confronted the greater problem—the low number of hours the poor work. All assumed that benefits of some sort could entice the jobless poor to work more. All assumed that opportunity was the main problem, instead of motivation.

Unfortunately, that assumption is invalid. The long-term poor seem to be a remarkably *un*responsive group. Their work levels have remained low for a generation, in good times and bad, in the face of a succession of programs meant to inspire or reward work. In fact, the opportunities and incentives the poor have to get ahead are already great, as shown by the recent success of Asian immigrants. No government benefit could add to that opportunity very much. There is now no reason to suppose that any reform that only changes incentives will get much response.

None of the work benefits directly mandated higher work levels. None set any standards for work effort. No training or jobs program required that clients be working, or have worked, in existing jobs in order to qualify for benefits. Accordingly, the programs operated more as substitutes for work than as preparations for it. By entering them, clients could avoid coming to terms with the low-skilled jobs that were all they could usually get, even after training. "Employment" programs thus undercut rather than affirmed the work norm.

Reluctantly, policymakers have begun to accept that work must be enforced as are other civilities such as obedience to the law or tax payment. Work serves important social values, particularly provision of higher income and social integration. So dependent adults should be required to work, even if—due to other income from families or programs—their immediate preferences are otherwise. Rather than be offered further opportunities and rewards for working, they should simply be *required* to work in return for the income they are already getting. They should face the demands for performance, for reciprocity, that nondependent Americans face every day.

Requirements approach the work problem as one of enforcement rather than barriers. Whereas the barriers theory says the poor are blocked from work and need greater freedom, the enforcement theory says they are in some ways too free. The solution to the work problem lies in *obligation*, not in freedom.

Requirements suit the irresolute mentality of the poor. They *want* to work but feel they *cannot*. Enforcement

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operates to close the gap between the work norm and actual behavior, and changes work from an aspiration to an obligation. It places the employable poor in a structure, combining supports and requirements, where they find that they must do what they always wanted, which is to work.

Over the last 20 years, work tests have developed haltingly in the main welfare program, AFDC, and Food Stamps. Essentially, these requirements allowed welfare departments to refer employable recipients to work programs after 1967, and required them to do so after 1971. The work agency linked to AFDC was the Work Incentive (WIN) program, instituted in 1967 and still the most common welfare work program nationwide.

But only a minority of the clients referred had to participate actively in WIN, and those that did were usually required only to look for work, not actually work. Most WIN programs "creamed," or concentrated their attention on the most placeable of the employable clients, effectively exempting the rest.

Current Proposals

Besides costs, the main issue in the current reform debate is whether to force state programs to serve a broader slice of employable caseload, instead of "creaming." Current federal law sets a minimum participation rate of only 15 percent of the employable clients. The Republican reform proposals would raise that to 60 percent or more over several years. The Democratic proposals would delete even the 15 percent floor.

The Republicans are on the right track. Tougher participation requirements would sharply raise work levels among the poor, probably more than any other policy tried to date. We know from the WIN experience that the proportion of clients entering jobs is principally determined by the percentage who are obligated to participate actively in the program. The successful WIN programs make participation and work, rather than nonwork, the norm for their caseloads. [20]

In the states that have replaced WIN, the main way the new programs differ is that they raise the participation rate, typically to about half. They seem to have achieved higher earnings and welfare servings than WIN as a result.

The Republican House proposal (HR 3200) gives priority to raising participation and thus would have much greater impact on work effort than the benefit-oriented Democratic bill (HR 3644). According to estimates from the Congressional Budget Office, the Brown/Michel proposal would cost only $1.1 billion in additional spending over 5 years, but would raise participation in work programs by 935,000 clients and cause 50,000 families to leave welfare mostly through work. The low cost is largely due to the savings from lower welfare spending, which almost cover the expense of added services. In contrast, the Downey bill would spend an additional $5.5 billion, chiefly for benefit expansions, but would raise participation by only 210,000 clients and would cause only 15,000 families to leave welfare. Clearly, the Republican and not the Democratic plan would make more welfare people independent, but even more important, would cause those remaining on welfare to undertake more effort to help themselves. Together, those shifts would go far toward changing the entitlement nature of welfare.

The rationale for workfare is simply that it has drawn more response from the dependent than any other measure. It has raised actual work effort, where benefits expanded only opportunities. Poor adults seem to respond more strongly to public authority than they ever did to incentives. The effect is especially great while clients are actually in the program, but some of it persists afterwards, showing up as higher earnings months later. That achievement outweighs the economic gains of the programs, as it suggests how the welfare work problem might finally be solved.

The tragedy of low-income life is that a pathological culture in which the poor participate often overrides their good intentions.

An effective welfare reform should define welfare mothers as employable when their youngest children are three or older, rather than six as now mandated. But above all it should require that higher proportions of the employable recipients, however defined, be genuinely working, looking for work, or training as a condition of eligibility for welfare. For teen-aged mothers, the obligation would be to stay in school until graduation. I would set an initial participation target of 50 percent, phased in over several years, and then see if higher levels were feasible. Child-care would be financed, but mothers would be required to arrange their own unless they could show that this was impossible. Some training would be included, but it would be confined to clients who were working, at least part-time, or who had a recent work record. Workfare policy should rely on government employment only when job search efforts in the private sector proved fruitless. Any government workfare jobs should have clear-cut performance standards, for which the workfare employees are held accountable.

Disdain for "Dirty Work"

Why, then, do liberals resist mandating higher participation levels? In part, no doubt, because the idea of serious work requirements strikes many as coercive. It also cuts against the pork-barrel proclivities of federal politics. Federal politicians would much rather give deserving groups good things than tell them how to behave. Until recently, even conservative politicians shared that attitude. They simply wanted fewer benefits than liberals. They counted on the private sector to enforce social mores such as the desire to work. Only the sharpening of the social problem has forced both sides to confront the need for functioning standards within welfare.

Liberals, in addition, resist accepting that the poor should be held responsible in any sense for their behavior.

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For a generation, they have defined the poor as victims. They assigned the responsibility for change entirely to government. Workfare, however, would share that onus between the poor adult and government. The two would work together to overcome dependency, the one by working more, the other by providing necessary support services. There seems no other way to change the dysfunctional patterns that now create poverty. Yet for welfare advocates, whose identity is wrapped up in claim-making, even a division of responsibility is anathema. Pressures from these groups explain why the Democratic plans give only lip service to requirements.

The presence of 7 million or more illegal immigrants in the country, mostly in urban areas, is testimony that at least menial jobs must exist in many cities.

Greater than these difficulties, however, is the fact that the jobs commonly available to the poor are usually not very nice. For most recipients, relatively "dirty work" is the only realistic alternative to welfare. They must work in unappealing jobs, or not at all. No government policy can improve that choice very much. If training or government jobs could somehow qualify the poor for "better" positions, a policy requiring work would be less contentious. But they can do this only for a few. Work policy cannot be based on that hope, or higher work levels will never be achieved.

Most conservatives would accept those alternatives and enforce work. Most liberals reject them as a Hobson's choice. They want the poor to work—but only in "good" jobs. Their upset is that "dirty work" would not advance the goal of equality as they understand it—a more equal distribution of income and status in the United States. Low-paid jobs are enough to lift most families off welfare and out of poverty, if all adults work; but they would not assure middle-class incomes. Even if working, many of today's poor, like yesterday's, would have to wait for "success" in their children's lives rather than their own.

Concretely, the issue often comes down to whether the *first* job that recipients take must be a good one. Conservatives tend to say not. They accept that entry-level jobs are usually low-paid. The unskilled should take such jobs to accumulate a work record, after which they can qualify for "better" positions. Meanwhile, they can count on supplementation from welfare or other family members. This is acceptable because most workers in entry-level jobs are young. But advocate groups demand that available jobs be good enough to take the family off welfare and out of poverty immediately. Mainstream income cannot require any apprenticeship. Better to be idle and dependent than working-poor. For them, the low-paying, first job is as much of a "barrier" to employment as if no jobs existed at all.

The drive for equality shapes the positions liberals take even on issues of fact. Many, for instance, concede tacitly that jobs of a menial kind are usually accessible to the poor. They question, rather, whether "good," "decent," or "meaningful" jobs are available—a very different thing. By fudging whether they mean jobs or good jobs, they often avoid facing up to the evidence that work is already widely available. Bradley Schiller has written, for example, that to overcome poverty, government must assure "an abundance of jobs—jobs that provide decent wages and advancement opportunity," as if these were the same thing. Such comments suggest that the real dispute in work policy is about equality, not opportunity.

Some also disagree that the performance of work programs would improve if participation rates were raised. Perhaps earnings gains would deteriorate, as there would be more clients to serve for a given funding. This would force programs to place more recipients in available jobs, spend less on training them, and thus reduce the earnings gains each could make. But this assumes that the impact of programs is assessed *per individual,* as in the MDRC evaluations of the recent work programs, which assume the liberal criterion that the main purpose of work policy is to raise the income of clients. If, on the contrary, it is to enforce the work obligation for the benefit of society, then aggregate measures, such as total job entries and welfare savings, become more important. These are the measures that respond especially to higher participation.

A concern for equality in this economic sense blinds liberals to the true nature of the work problem and its solution. Their analysis and recommendations are predominantly concerned with things that affect relative incomes among those who are working; they downplay the problem of those who are not working. Few of the things that affect equality in their sense also affect nonwork. The alleged barriers facing the poor primarily limit the quality of jobs they can get, not their ability to work at all. The benefits liberals would provide through welfare reform would raise the incomes of recipients willing to participate, but would not make more participate.

The work problem *is* a problem of participation, not of equality. The great question is how to get more of the employable poor to participate in the economy, in any kind of job, not how to improve those jobs. Only after they were working could the concerns of liberals become relevant. For it is *working* people that government would help by raising job quality, and who also have the greatest power to help themselves. Liberals and conservatives can dispute whether working people really need help from government. They ought to agree that dependent adults should at least become workers.

I do not mean that conservative welfare reformers are indifferent to equality. They simply have a different meaning of it. To them, it means, not primarily equal status and income, but *equal citizenship.* To be equal in American means to possess the same essential rights *and* obligations as other people. That entails some entitlements to a minimum income and other social protections, but it also requires a capacity for essential civil duties, such as working,

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speaking English, and obeying the law. This meaning, rather than the liberal one, is the one most Americans share.

Work policies have gained momentum, in the end, because increasing numbers of Americans, and their leaders, no longer believe that simply to transfer entitlements to the poor serves equality in this sense. We must require equal obligations of the poor as well as assure them equal rights if they are to be truly integrated. To do that should be the purpose of welfare reform.

Endnotes

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[8]Thomas Bailey and Roger Waldinger, "A Skills Mismatch in New York's Labor Market?" *New York Affairs*, vol. 8, no. 3 (Fall 1984), pp. 3-18. The study Bailey and Waldinger cite classifies jobs requiring a high school diploma or less as low-skilled unless they required at least 18 months of preemployment training.

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[11]Richard B. Freeman and Harry J. Holzer, "Young Blacks and Jobs—What We Now Know," *The Public Interest*, no. 78 (Winter 1985), p. 27.

[12]Robert Moffitt, "Work and the U.S. Welfare System: A Review," study prepared for the U.S. Department of Health and Human Services, February 1987, table 4.

[13]Mary Jo Bane and David T. Ellwood, "The Dynamics of Dependence: The Routes to Self-Sufficiency," study prepared for the Department of Health and Human Services, June 1983, pp. 11-12, 33-35, 51; O'Neill et al., "Analysis of Time on Welfare," pp. 11-12, 43. Bane and Ellwood find the mother with preschool children more likely to work her way off, O'Neill et al. less likely to, than the mother with older children, probably due to different data.

[14]U.S. Department of Commerce, Bureau of the Census, *Who's Minding the Kids: Child Care Arrangements, Winter 1984-5*, Series P-70, No. 9 (Washington, D.C.: U.S. Government Printing Office, May 1987), table 1.

[15]U.S. Department of Commerce, Bureau of the Census, *Who's Minding the Kids*, table 2.

[16]Suzanne H. Woolsey, "Pied-Piper Politics and the Child-Care Debate," *Daedalus*, vol. 106, no. 2 (Spring 1977), p. 138.

[17]O'Neill et al., "Analysis of Time on Welfare," p. 29.

[18]Congressional Budget Office, *CETA Reauthorization Issues* (Washington, D.C.: U.S. Government Printing Office, August 1978), pp. 17-19.

[19]O'Neill et al., "Analysis of Time on Welfare," pp. 12-13, 35-36, 83-84; Freeman and Holzer, "Young Blacks and Jobs," p. 29

[20]Lawrence M. Mead, "The Potential for Work Enforcement: A Study of WIN," *Journal of Policy Analysis and Management*, vol. 7, no. 2 (Winter 1988). This study covers WIN nationwide. Two earlier studies produced comparable findings for New York City and State.

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BASE MANEUVERS

The Games Congress Plays with the Military Pork Barrel

REPRESENTATIVE DICK ARMEY

Loring Air Force Base was built in the middle of the pine forest wilderness of northern Maine. In an average year, 105 inches of snow will fall on its runways, temperatures will plunge to 30 or 40 degrees below zero, and snowdrifts will pile high enough to clip the wingtips of the B-52s. In short, "Boring Loring," as the snowbound airmen call it, is one of the most inhospitable places to put an air base in the continental United States—and yet it remains the home of the 42nd Bomb Wing, maintained and operated by a reluctant Strategic Air Command (SAC) at twice the cost of airfields in warmer climes.

Back in 1946, when the Air Force bulldozers first arrived in Aroostook County, Loring made eminent sense as a simple matter of military necessity. SAC's first bombers, the old B-47s, were able to reach the Soviet Union from few domestic locations, and our ballistic missile fleet was still nothing but a glimmer in Wernher von Braun's imagination. The only solution was to select the northeasternmost point of the United States and carve an air base out of virgin wilderness, and if that meant having to operate bombers and tankers in near-arctic conditions for much of the year, so be it. As the Air Force explained at the time, "Loring is SAC's right hand covering a direct path to an aggressor over the polar regions or across the Atlantic. It is 300 miles closer to targets in Communist Europe than any other base in the United States. At present speeds, 300 miles nearer the target means the target can be obliterated thirty minutes earlier. . . . thirty minutes that may decide our fate."

The Air Force has been insisting for more than 10 years now that this strategic rationale no longer exists. Fully loaded B-52s and B-1s, along with almost any other bomber worth having, can reach the Soviet Union from bases as far south as Arkansas. With the advent of nuclear missiles that can reach the Kremlin in a matter of minutes, the bomber flight time from Loring is irrelevant. Most important, the Soviets now have an arsenal of submarine launched ballistic- and cruise-missiles that make Loring—one hundred miles from the Atlantic coast—particularly vulnerable.

So why is Loring still there? Because of the clout of Senator William S. Cohen and the rest of Maine's representatives in Congress.

When a military installation is needed, we support it regardless of the cost. It takes a small fortune to maintain Diego Garcia, our supply depot in the Indian Ocean, but since the alternative may be Soviet occupation of the Mideast oilfields, we gladly pay it. Tragically, however, necessity is not the reason we maintain all of our 5,000 domestic military installations. The other reason is politics—the politics of the congressional pork barrel.

Military bases mean big federal money for many communities. They directly employ hundreds of civilians, and they indirectly pump millions of dollars into local economies in the form of GI paychecks, which are spent nearby. This leads congressmen and senators to fight to keep bases open in their districts long after changes in the threat, technology, or the force structure have rendered them obsolete.

Loring is not an isolated case. Fort Douglas, Utah, was originally built to guard stagecoach routes to the Wild West, and today serves little purpose whatsoever. Fort Monroe, Virginia, was built to fend off an invasion of Redcoats in 1812, and is now a redundant administrative facility surrounded by an 18th century moat. Fort Sheridan occupies prime real estate north of Chicago, but has little value other than to provide Army officers a 150-acre golf course and two beaches. All these remain on the Pentagon's dole largely because of parochial congressional interests. A federal statute protects even the dairy farm at the Naval Academy from budget cuts.

According to the Grace Commission, as much as $2 billion a year could be saved by realigning our domestic military bases. Past OMB estimates are as high as $5 billion annually. Even the Pentagon—ever reluctant to admit that it can return some of its money to the Treasury—concedes that its installations experts could find at least $1 billion in excess base capacity. These savings could be realized annually for years to come.

The parochial interests defending these obsolete bases would have been overridden long ago, but for one major

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Snow Job: Thanks to the Maine delegation, Loring Air Force Base remains open at twice the expense of air fields in warmer climes.

problem. In the effort to save Loring, the Maine delegation not only succeeded in sparing one outmoded air base, it also sold Congress on a law that has frozen our entire major base structure in place. Today, under a towering federal deficit, the Department of Defense is unable to close even the most wasteful base boondoggles.

Turning Doves Into Hawks

Pork-barreling is, of course, a time-honored congressional tradition. Ever since Andrew Jackson put us into the business of using federal money for "internal improvements," the most influential members of Congress have naturally sought to ensure that their home districts are more internally improved than others. Water projects, roads, and eventually electric dams and power stations became valuable political capital.

Since World War II, though, the pork game has changed. While the Public Works Committees still dole out goodies to their members and friends (a half-billion dollars worth in the recent highway bill), the real action today is in defense money. Each year's Defense Authorization bill contains over $200 billion worth of mouth-watering capital contracts—everything from military bases to missile systems to multimillion-pair orders of combat boots. Naturally, many members look on the Defense bill the way Jimmy Dean looks at a hog, as a giant piece of pork to be carved up and sent to the folks back home. Little things like ideological scruples and military necessity often get lost in the feast that follows.

Indeed, one of the more amusing spectacles on Capitol Hill is the sight of committed anti-Pentagon liberals becoming converts to major weapons systems when they're built in their districts. Take virtually the entire New England delegation, for example. Although New England is liberal-leaning and generally skeptical of high defense budgets, the region has also been charged with building John Lehman's 600-ship navy—a formula that adds up to big money and legislative schizophrenia. It turns doves into superhawks.

In 1986, for instance, Connecticut's Representative Sam Gejdenson, who usually votes the straight liberal line on everything from the nuclear freeze to chemical weapons, suddenly became a crusader for the Trident submarine. Only hours after voting to cut funds for the D-5 missile that will be put inside the Trident, he offered an amendment to spend an extra $1.5 *billion* on the submarine itself. Any mystery may be cleared up when we look at where the Trident is built. General Dynamics assembles them at the Electric Boat shipyard in Groton, Connecticut—which happens to be in Gejdenson's congressional backyard. (Gejdenson defends his Trident vote by arguing that the invulnerable submarine is a stabilizing weapon as long as it is not loaded with the highly accurate D-5s).

Gejdenson's willing ally is Connecticut Senator Chris

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Dodd, a dove on nearly every other defense and foreign policy issue. When his Senate colleagues, worried about such questionable General Dynamics' practices as bribing Admiral Hyman Rickover, suggested that a little competition may be necessary to break up General Dynamics' "sole source" monopoly on the Trident, Dodd went ballistic. "It is illogical," he said, "to think you're going to be able to build the Tridents cheaper or better" anywhere outside his homestate—a comment that led the journalist Gregg Easterbrook to suggest that "maybe Reagan could get Dodd to support Contra aid, too—just make sure the supplies are manufactured in Connecticut."

Since O'Neill-Cohen became law, not a single major base has been closed or consolidated—a failure that has cost U.S. taxpayers as much as $2 billion a year.

This is certainly not a purely liberal phenomenon. The only reason liberals are famous for it is that their votes for defense pork stand out as glaring ideological lapses, while conservatives' motivations are often neatly camouflaged by their general support for a strong defense—except, of course, on those embarrassing occasions when a pro-defense member finds himself having to force the Pentagon to buy a system that it doesn't even want (a short list, to be sure). New York's Senator Alfonse D'Amato waged days of parliamentary warfare in 1986 for the T-46, a trainer plane for which the Air Force has repeatedly said it has little need. Coincidentally or not, the T-46 was built by Fairchild Industries on New York's Long Island.

Fortunately for our nation's security (and the taxpayers' dollars), the system has one built-in check that prevents this method of military pork barreling from getting out of hand: Namely, a member has to sell his district's pork to the rest of us. If he cannot justify his home town's defense contract on solid military grounds, his amendment will often be unceremoniously dispatched.

In Gejdenson's case, he found himself on the wrong end of an indignant Bill Dickinson, the ranking Republican on the House Armed Services Committee. "The idea that we would be so gullible and think we are so obtuse here that we cannot see what is going on really sort of blows my mind," Dickinson thundered. "This is ludicrous, this is ridiculous, that we would on Friday cut $7 billion [worth of weapons systems] because we cannot afford it and then come in here and say, 'It's different if it is built in Connecticut'. . . . I really would be embarrassed to offer this if it were my amendment." Gejdenson's money for General Dynamics was rejected 211-188.

The reason that obsolete military bases remain such an entrenched form of pork-barreling, however, is that this traditional check does not apply to them. They rarely must be considered on their merits alone. If the good Senators from Maine had to stand before their colleagues and argue that maintaining the cold-weather base at Loring made economic sense, they likely would have been voted down. Arguing that we need a stagecoach rest stop in Utah or a military golf course in Chicago probably would have fallen flat even in the House. But the supporters of obsolete bases almost never have to do this. Instead, by enacting an array of environmental study mandates, advance notice requirements, and gratuitous red tape, they have simply ground base closings to a halt.

Environmental Red Tape

Any bald-faced attempt by the supporters of obsolete bases to usurp the Defense Department's power to close bases would probably be unconstitutional, and when it was attempted in 1976, the legislation fell victim to President Ford's 50th veto. A law to prohibit all major base closings without express congressional permission, Ford said, was an assault on executive branch prerogatives—a position that certainly would have been upheld by the federal courts. Instead, Congress enacted legislation that, though in another guise, has had virtually the same effect.

The same year that Loring Air Force Base was first mentioned as a candidate for closure, Maine Congressman (now Senator) William Cohen stood with then-Majority Leader Tip O'Neill and placed a giant bureaucratic obstacle in the way of the Defense Department's ability to close a base: a requirement that DOD must first carry out comprehensive and costly environmental impact studies before a base could be shut down or even reduced. When base closing opponents had tried to stall closings earlier by attempting to invoke such environmental laws as the National Environmental Policy Act (NEPA), the courts usually ruled against them. The O'Neill-Cohen legislation, however, specifically required that NEPA must be applied whenever the Pentagon desires to consolidate a base. As benign as it may sound, this legislation has prevented any major base closing since it was signed by Jimmy Carter in 1977.

An environmental impact statement (EIS) can take as long as two years and cost over $1 million to complete. Once completed, any congressman or well-organized citizens' group can take the military to court and insist that it be redone to consider some previously unnoticed aspect. After that, the second statement can be found wanting, and a third can be ordered. By this time, several years after the base closing was first announced (a move that by itself has already hurt the local economy), the local citizenry and members of Congress are thoroughly aroused, and the political pressures to cancel the closing order are all but insurmountable.

In Loring's case, the Air Force produced the initial EIS about six months after the closure was originally announced, and submitted it for public comment. With the help of a well-heeled Washington lobbying firm, it got plenty of it. Eventually, the Air Force was forced to concede that while the report was correct in judging the impact on the entire county, it understated the effect on the area immediately around the base. The Air Force then went to work on a second EIS, which agreed with the

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lobbyists that the impact on the surrounding area would be serious. Nevertheless, the Air Force felt that the military case for the closing was so compelling that it should proceed anyway. That led the Maine delegation to draw their ultimate weapon: a line item in an authorization bill. Buried in the Defense bill for fiscal 1980 were the words: "No funds authorized to be appropriated by this or any other Act shall be obligated or expended for the purpose of the realignment of SAC's Loring Air Force Base." The Pentagon had no choice but to cancel the closing order. As the coup de grace, the Maine delegation ultimately required the Air Force to *expand* the Loring facility, appropriating money that Assistant Defense Secretary Lawrence Korb said "was shoved down our throats." Loring Air Force Base is no longer a candidate for closure, nor will it be after the passage of any new base closing legislation.

The O'Neill-Cohen legislation had the same effect on every other major base that had been slated for closure. Between 1961-1978, before O'Neill-Cohen was enacted, the Defense Department realigned 3,600 installations of various sizes, producing an annual savings of $5.6 billion in operating costs. Since O'Neill-Cohen became law, not a single major base has been closed or consolidated—a failure that has *cost* the U.S. taxpayer as much as $2 billion a year.

At a glance, it seems odd that anyone would need a formal study to determine the affect of a base closing on the environment in the first place. Environmental studies are usually used to explore how major federal construction projects will affect the natural surroundings. If the Army Corps of Engineers is contemplating building another Hoover Dam, all of us naturally expect an EIS to see how that will affect the fauna and flora nearby. But closing a base would seem to be a self-evident boon to the natural environment. Obviously, if you tear down a base's power plant, close the airfield, move the nuclear weapons, and send the troops packing, the environment can only benefit. It's true that the environmental laws require that the effects on the human environment should be considered as well, but the federal courts have concluded that purpose of the law is only secondary. It was only after O'Neill and Cohen passed a bill saying that the environmental statutes should apply to base closings anyway that DOD became mired in the environmental red tape.

One can't help but conclude that the real purpose of the O'Neill-Cohen legislation—if not in the minds of its sponsors, at least in the minds of many who voted for it—was to stop base closings, pure and simple. As Senator Carl Levin said in 1985, "The fear of the exercise of untrammeled executive power is what led or what continues to fuel the support for the protections against base closings."

Levin hit the point that is at the root of the whole base closing deadlock. One can speculate on whether or not the Maine delegation had parochial motives in stopping base closings with red tape, but they never would have been able to sell it to the Congress as a purely parochial concern. Instead, they were able to appeal to the "fear of untrammeled executive power." As then-Congressman Cohen put it, "The issues raised by this amendment transcend the parochial interests of any one region of the country or political party."

Fear of Political Retaliation

At issue is who will have control of the pork. Any congressional veteran will tell you that pork is power—both the ability to distribute it and the ability to deny it. If the executive branch has unrestricted freedom to close bases, the argument runs, it would have a potent political weapon in its hands to retaliate against anyone who defies the president on key legislation. Congress has an institutional interest in insuring that the executive branch does not have it. And while parochial interests can be defeated as Sam Gejdenson was, institutional interests cannot.

This argument may not be pure paranoia. Texans tell the story of Lyndon Johnson's personal war against the Amarillo Air Force Base. When he was up for reelection, Johnson supposedly told the elders of Amarillo, Texas, that if he did not carry their town, he might decide that their air base should be shut down. Amarillo went for his opponent anyway, and in due course, the air base was deemed "uneconomical" and eliminated. More recently, many thought it suspicious that the Nixon administration chose to close two bases in Massachusetts shortly after Massachusetts became the only state to support George McGovern.

One of the more amusing spectacles on Capitol Hill is the sight of committed anti-Pentagon liberals becoming converts to major weapons systems when they're built in their districts.

Another variation of this fear is the idea that the Defense Department will decline to cut bases in the districts of a powerful Southern committee chairman, whose region has been favored by Pentagon spending in the past.

In the 1970s, many recall, the Army wanted to eliminate one of its three main recruit training centers, arguing that it would be more efficient to have only two. The choice came down to Fort Dix, New Jersey, or Fort Jackson, South Carolina. While lesser Pentagon officials wanted to close Fort Jackson, Fort Dix was chosen after higher-ups intervened—to many, clear evidence of the Pentagon's southern bias. (During South Carolina Democrat L. Mendel Rivers' reign as Armed Services Committee chairman, one congressman remarked that, "If you build one more military installation in Charleston, it's going to sink into the harbor.")

This fear of political retaliation and favoritism is just as strong today. Aside from unfounded but widely believed rumors that Caspar Weinberger once threatened to close bases in the districts of MX missile opponents, virtually every attempt to close bases during the Reagan administration has been branded a political move. Representative Amo Houghton of New York ran into such charges last

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summer when he tried to eliminate money for new construction at bases the Pentagon had said *might* be scaled down.

The list of 22 bases he was using was put together in 1985 at Senator Goldwater's request. It didn't sell well on the House floor. "The list is entirely political," said an outraged Bill Alexander (D-AK), who represents Blythesville AFB (number 22 on the list). Another member ventured, "I bet that if you went down [the list] we would find facilities that could not possibly be closed, but exist in the districts and states of members and senators who simply were not known as strong supporters of the DOD authorization or appropriation." Finally Democrat Ron Dellums of Berkeley, California, whose distrust of the Pentagon is rarely lost in subtlety, claimed, "This is hardball politics aimed at insuring unquestioned support for a larger military budget." Houghton eventually withdrew his amendment, saying, "I feel like I have been through a buzz saw."

Base closings almost never turn out to be the economic catastrophes that congressmen and their constituents fear.

Actually, it was not a political list at all. More Republican senators were affected than Democratic senators, and more Democratic House members were affected than Republicans—which simply reflects that there were more Republican senators and more Democratic House members at the time.

Real or imagined, this fear is at the heart of the political problem we have today. The safeguards against "untrammeled executive power," thanks to O'Neill and Cohen, are now so extensive that not even Congress itself can easily close a base that one member wishes to keep open. As Senator Phil Gramm of Texas explained, "Any congressman or senator who is ingenious or hardworking can prevent a military base from being closed in his district or state," simply by tying the matter up in the courts.

The trick to solving the politics of base closing is, first, to waive the environmental laws and other red tape, and second, to ensure that no base will be closed for political reasons—the concern that inspired the red tape in the first place.

Simply trying to waive the red tape is not enough. Barry Goldwater and Phil Gramm in the Senate and Denny Smith and Del Latta in the House have tried that approach without success. That step alone would make it easy for DOD to close bases, but it does nothing to assuage the fear of "untrammeled executive power."

Another approach, first suggested by the Grace Commission and supported since by Representative Patricia Schroeder of Colorado and others, is to set up, on a bipartisan basis, a nonpartisan commission to select the bases that could safely be shut down. While this would eliminate any fear of the administration using base closings as a weapon against unfavored members of Congress, it would still leave the Pentagon hamstrung by the O'Neill-Cohen law. It would be powerless to act on the commission's recommendations.

I have sponsored a bill that marries the two approaches. It provides that candidates for closings would be selected by a nonpartisan commission, and then waives O'Neill-Cohen and the rest of the red tape for those bases only. Since any base closures recommended by a nonpartisan commission could not be politically motivated, the O'Neill-Cohen safeguards would not be necessary, at least for those bases.

Once O'Neill-Cohen is waived—either by my approach or the one authored by Senator Gramm and others—Congress can still stop a base closing, but it must do so by majority vote—unlike the current situation in which a base closing can effectively be stopped by a single member. This would expose obsolete bases to the same majority sentiment that killed the Gejdenson Amendment and other pieces of defense pork. As Gramm put it, arguing for his bill, which gives Congress 60 days to stop a base closing:

> The beauty of this proposal is that: If you have a military base in your district—God forbid one should be closed in Texas, but it could happen—under this proposal, I have 60 days. So, I come up here and I say, "God have mercy. Don't close this base in Texas. We can get attacked from the south. The Russians are going to go after our leadership and you know they are going to attack Texas. We need this base."
>
> Then I can go out and lie down in the street and the bulldozers are coming and I have a trusty aide there just as it gets there to drag me out of the way. All the people in Muleshoe, or wherever this base is, will say, "You know, Phil Gramm got whipped, but it was like the Alamo. He was with us until the last second."

The only outstanding issue is how to finance base closures. Some money will be required up front to move the troops and make accommodations for them elsewhere. A sound base closing proposal must contain a mechanism to provide the necessary funds.

This up front cost alone has often been used as an argument against closing bases. The "stagecoach base" at Fort Douglas, for instance, is said to be more expensive to close than to move—a dubious assertion based in part on the assumption that it would have to be converted to a National Historic Sight. The one-time costs of closing bases, however, are meaningless compared to the savings that might be achieved. It would have cost $7 million to disperse Loring's bombers to other bases had the realignment gone forward in the 1970s, but once that investment was made, we would have saved $25 million each year and every year from then on. A one-time cost of $7 million is nothing compared to the hundreds of millions that would be saved over time. Few corporations would turn down an investment that offered such a huge return.

In any case, there are easy solutions to the finance prob-

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lem. One possibility is to have base closures finance themselves. We could close part of a base and then use the money saved to pay for closing the rest of it. The substantial money left could then be put in the Treasury. Another possibility is to "reprogram" funds from elsewhere in the $8 billion military construction budget. "Seed money" of $100 million or so could be borrowed from other projects to begin closing bases and paid back a short time later when the savings are realized.

New Jobs from Old Bases

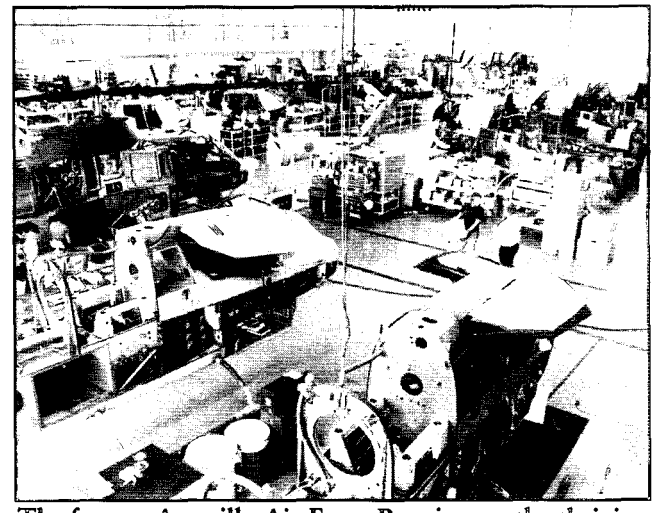
The irony in all this is that base closings almost never turn out to be the economic catastrophes that congressmen and their constituents fear. A base closing can be an economic bonanza for a community. Typically when the military pulls out, a community is offered a ready-made industrial park, airport, residential area, schools and recreational facilities. New industries occupy the old base, a new source of city tax revenue develops along with new jobs. Lyndon Johnson may have thought that closing the air base was a way to punish the good people of Amarillo, but today the former Amarillo AFB is now the thriving home of Textron's Bell helicopter division and the community is better off than before.

Amarillo's experience is not unique. When Brookley Air Force Base in Mobile, Alabama, was closed in 1969, the city turned it into an industrial-aviation-educational complex, making the city far more diverse and independent. "Many leaders in this city would not have Brookley back even if the government came begging," according to a *New York Times* article.

The same is true of Salina, Kansas, which also lost an Air Force Base. "We're recovering quite nicely, thank you," says John Schmiedeler, assistant managing editor of the local newspaper. "Now we're more closely tied to national economic trends. Before, we kind of sat back and got fat. This has created a new, aggressive spirit in Salina."

Senator John Chafee, whose state of Rhode Island was affected by several closures, had a similar verdict. He told a business magazine that "The departure of the floating Navy rallied the Rhode Island business community around a common theme: What's done is done. Now let's grow from here. And that's just what the state has been doing, growing in directions it never considered before."

The "what's done is done" attitude is vital to a community's successful readjustment. One problem with Congress' requiring extensive public studies before a base can be closed is that it leaves communities unprepared if the closure ultimately occurs. The Defense Department will announce its desire to close the base, pending the outcome of the environmental studies, and the community leaders immediately devote themselves to preventing it rather than preparing for it. If the base is finally closed anyway, no one will have done the work necessary for an easy transition. Officials at the Pentagon's Office of Economic Readjustment, which devotes considerable skill and resources to helping communities deal with the effect of base closures, say that community leaders must know from the beginning—with certainty—whether or not a closure will occur 12 to 18 months hence. If they have that advance notice and are not encouraged to attempt to avert the closure, the result can be very successful.



The former Amarillo Air Force Base is now the thriving home of Textron's Bell helicopter division.

The Office of Economic Adjustment's study of the effects of 100 base closings since 1961 found that:

- A total of 138,138 civilian jobs are now located on former defense facilities, replacing 93,424 jobs lost when the military left.
- Twelve four-year colleges, 32 postsecondary vocational schools or community colleges, and 14 high school vo-tech programs have been established on former bases.
- There are 53,744 college and postsecondary students, 7,864 high school vo-tech students, and 8,110 trainees now being educated on the old bases.
- Office-industrial parks or plants have been established at 75 of the former bases.
- Forty-two of the former bases are being used as municipal or general aviation airports.

A sampling of newspaper clippings tells the same story. "Cities Find Conversion of Old Bases A Boon to Economies" (the *New York Times);* "Base Closings Benefit Towns" (the *Atlanta Journal);* "When the Military Moves Out, Business Can Move In and Make a Town Proper" (the *Nation's Business);* "Finding New Uses for Bases that the Military Closes: Model Apartments in Massachusetts, Airports in Texas and Pennsylvania" (the *Christian Science Monitor).*

One almost hates to invoke the overused buzzword "competitiveness," but we must ask which is better for the economy, a dead end investment in an obsolete military base or schools and new industry? The moral of the above statistics is that no one benefits from waste. If we wanted to directly use federal money to create jobs, it would make as much sense for us to pay workers to build pyramids in the desert as it does to maintain unnecessary bases. While the initial disruption caused by a base closing is undeniable, once the base is gone, the resources that supported it are devoted to new and often better uses, ultimately creating jobs and new production. The alternative is to continue deploying our troops to guard stagecoach routes, refight the War of 1812, and support primitive bombers at a cost to the taxpayer of $2 billion a year.

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PINOCHET'S REVOLUTION

Will Popular Capitalism Lead to Democratization?

JAMES R. WHELAN

Sometime this year, Chile will hold a plebiscite to determine whether General Augusto Pinochet Ugarte, leader of his nation since 1973, shall continue as president until 1997. The three most likely outcomes all suggest that it is time for lovers of freedom and democracy to stop regarding Chile as an international pariah.

One possible outcome is that Pinochet will be asked by his fellow military leaders not to run. The constitution of 1980 stipulates that at least 90 days before Pinochet's present term of office ends on March 11, 1989, the four-man military junta must meet and decide—unanimously and within 48 hours—on a candidate to serve as president from 1989 to 1997. If they fail to agree on a candidate, then the National Security Council must do so, by simple majority vote. (The NSC is made up of Pinochet, the junta members, the president of the Supreme Court, and the president of the Council of State, a broad-based representational advisory body.)

Voters would say yes or no to that candidate in the plebiscite. If they vote no, then Pinochet would stay on one more year as president, during which time new and open elections for president would have to be called. At this writing, there is no certainty that Pinochet will be the junta's choice for the plebiscite. Last June, three of the four service chiefs on the junta went on record as saying they preferred not only a civilian, but a man considerably younger than the 71-year-old Pinochet. None of them has spoken since on that subject.

Pinochet Might Lose

A second possible outcome is that Chileans will vote no to Pinochet (or an alternative candidate put forth by the military), and thus bring free elections in 1989. There is little doubt that under such circumstances the Chilean military would relinquish power, just as the military did in recent years in Argentina, Brazil, Peru, and Uruguay. (In Uruguay, the military put before the electorate in 1980 an authoritarian constitution similar to the one the Chilean military was putting before their voters at about the same time. In Uruguay, the vote was no; in Chile, overwhelmingly yes. The Uruguayan military not only accepted that verdict, but in 1985, gave way to civilian government.)

Opponents of Pinochet certainly have the opportunity to make their case against him. Although formally legalized only last year, political parties—including the constitutionally banned Marxist-Leninist parties—have been visibly and vocally active since 1982. Most of the 20,000 Chileans who fled after the overthrow of Salvador Allende in 1973 have returned to the country, and last year all but about 600 of 3,800 opponents of the regime still barred from reentry were cleared for return. Reports of torture by the Pinochet government still continue and a number of prominent literary and theatrical figures opposed to the regime say they have received death threats. Nevertheless, political debate in Chile is as spirited and raucous as in most other Latin American countries.

Vigorous opposition newspapers and radio stations, while occasionally hampered, daily hurl invective against Pinochet. Widespread publicity was given, for example, to an attack last June by the then Christian Democratic Party leader Gabriel Valdes: "Augusto Pinochet will go down in history as a Hitler, Stalin, Trujillo, Somoza and others like him. He [stalks] the country like some kind of phantom, preaching hatred and violence." Even publications friendly to Pinochet routinely refer to the "military dictatorship" and report past and present allegations of human rights violations.

It is unclear, however, whether opposition parties will be able to unite around a "no" vote in the plebiscite. At last count, Chile had 25 parties, including eight Marxist-Leninist ones that are technically illegal but nevertheless operate openly. With the hard left excluded from the electoral process, the role of the Christian Democratic party (PDC) acquires crucial importance.

One of the obdurate myths of Chile is that the PDC is a "centrist" party. For that to be true, the party would have to be as willing to make alliances with the right as it has been with the left. Historically, except when the Allende

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Chile under Pinochet has embarked on an export boom reminiscent of the Asian miracle economies.

trauma was already beyond rescue, the PDC has not. Since last summer, the party leadership has been in the moderate hands of Patricio Aylwin. But Aylwin's overtures to the right have been largely foiled by the roughly 40 percent of the party's activist cadres who are incorrigibly leftist. Failure of the PDC to enter into a tactical alliance with the democratic right would, of course, play into the hands of Pinochet (or any other junta candidate), just as in the past that stance facilitated the rise to power of the minority Marxist-Leninist coalition headed by Allende.

Pinochet Might Win

A third and by no means far-fetched possibility is that Pinochet will win in an honest plebiscite. At this time, Pinochet enjoys the support of more than 40 percent of the population according to government pollsters, or about 20 percent according to opposition polls. He will almost certainly win the plebiscite if the opposition fails to unite against him, or if ugly Communist-led violence heightens middle-class Chileans fears that their country will disintegrate into another Lebanon. During 1986, Chile experienced 355 bombings and 136 arson attacks. Pinochet himself narrowly escaped death in a rocket and machine-gun attack on his presidential caravan, and, tipped off by U.S. satellite reconnaissance, the government seized the largest clandestine arms shipment ever known to have landed on the South American continent. Pinochet's political strength rose as he appeared to bring the revolutionary violence under control; it would do so again if there were similar violence in 1988.

Chileans have also watched apprehensively the deepening economic and political crises in Argentina, Peru, and Brazil as they have wobbled unsteadily back to democracy.

But Pinochet's popularity comes not solely from his reputation as a law-and-order man in a country with vivid memories of the political and social chaos under Allende. In the last five years, he has also presided over the strongest and most vibrant economic performance in Latin America, and his policies have helped give birth to the first authentic popular capitalism in Hispanic culture.

Spectacular Economic Performance

Like the rest of Latin America, Chile was hit hard by the recession of 1982. Unlike the rest, it has nearly recovered. Real wages, though still slightly lower than their all-time high in 1981, have more than doubled since bottoming out in 1982. Unemployment has fallen from 25 percent in 1982 to 8 percent in 1987. Real growth began a strong comeback in 1984 and for 1987, was moving ahead so strongly (around 7-8 percent) that the government tamped it down to approximately 5 percent to avoid inflation. Under Allende, inflation reached 1,000 percent in 1973; it has now been throttled back to 17 percent. (For Latin America as a whole, the average exceeds 100 percent.)

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With exports rising from $1.2 billion in 1973 (the previous all-time high) to $5 billion in 1987, Chile under Pinochet has embarked on an export boom reminiscent of the Asian miracle economies. That boom was achieved despite (until the last few months) a steady decline of copper prices to historical lows. Part of the key was that Chile made up in copper volume what it lost in price; production doubled between 1973 and 1986, pushing Chile ahead of the declining U.S. as the world's largest copper producer. But more importantly, it diversified into other export products. Chile is now the leading fruit exporter among temperate zone countries in the Southern Hemisphere, and has greatly increased exports of timber, seafood, and farm products. (Authentic "agrarian reform" has checked the three-decades-old flight of persons from practically feudal conditions in rural areas to the cities.) The expansion of the export base also means that copper now accounts for only 40 percent of Chile's export earnings, down from 90 percent in 1973.

Chile is the only Latin American country successfully working out of its debt crisis.

Chile is the only Latin American country successfully working out of its debt crisis. Though Chile has a per capita debt second only to Israel's, in sharp contrast to Mexico, Brazil, Argentina, and Peru, it has never missed an interest payment. In 1985, Chile pioneered the most promising and innovative debt-equity swap formula in the world. By mid-1987, such swaps had exchanged nearly $2 billion in foreign debt for equity investment. Last June, the Chileans quietly concluded a rescheduling agreement with 407 credit banks on the $10.6 billion private share of the debt, a deal that saved the country $447 million in 1988 interest payments. That deal led Citicorp chairman John Reed to remark that the banks may soon resume voluntary lending to Chile. Perhaps the best barometer of a developing country's economic health is whether its citizens feel sufficient confidence to keep their savings at home: from late 1985 to early 1987, Chileans repatriated $850 million.

There is no secret to Chile's economic success. It has committed itself more thoroughly to a free-market economy than any other nation in Latin American history. The Pinochet government has abolished price controls, rationalized a chaotic exchange rate hodge-podge, and lowered to a uniform level of 10 percent import tariffs that once had averaged 100 percent and peaked at 700 percent. Perhaps its principal achievement has been to cut in half the state's share of the economy.

The Privatization Revolution

When Pinochet came to power in 1973, the Chilean economy was the most heavily socialized in Latin America, the legacy not only of Allende but of the Christian Democratic government that preceded him. The public sector accounted for 40 percent of gross domestic product, and a combination of legal and illegal expropriations put 65 percent of industrial production in state hands. Under the aegis of an economic team that came to be known as the "Chicago boys" (because so many had studied at the University of Chicago), selling most of the state-owned companies became one of Pinochet's highest priorities.

Privatization began haltingly, suffered a severe setback in the 1982-83 crash (when the government had to take back many companies, including almost all of the private banking system), but has gained rapid momentum over the past four years. Of 530 enterprises belonging to the state in 1973, only 24 remained wholly government-owned at the end of 1986; 350 had been returned to private ownership, 50 liquidated, and 106 others partially or completely sold to private investors. Sales, which have poured $1.3 billion into the treasury, have included all of the steel and iron company, controlling interest in the leading nitrate company, an electricity holding company, and a sugar refinery. On the block are not only the state airline, but even the University of Chile's engineering school, hospital, and television station—all unfamiliar privatization targets.

Authentic Popular Capitalism

Hand in hand with privatization has come the creation of a rapidly expanding class of "popular capitalists." The number of shareholders of the 50 largest companies rose from a handful in the 1970s to slightly more than 100,000 in 1983 to an estimated 200,000 by the end of 1987. Employee stock-ownership plans have been at the heart of the program: typically, employees now own 20 to 30 percent of the companies being returned to private ownership. In some cases, those firms have ended up almost entirely in the hands of the people who work for them. Further, in contrast to Mexico, which in 1987 began selling back part interest in a few of the banks it had seized four years earlier—at bargain prices to ruling party cronies—Chile has taken elaborate measures to preclude concentration of ownership by the oligarchical dynasties that once controlled the banks. No one individual may own more than 2.5 percent of the shares in a Chilean bank; when the two largest Chilean banks were recently put on the market, 47,000 new capitalists bought shares, including one quarter of the largest bank's own employees.

The stake that ordinary Chileans have in the market economy has been bolstered as well by a program begun in November 1980 to privatize pension plans. Eligible workers were given the option of staying with the public sector system, or moving to private plans. The first result was a quantum leap in the number of persons covered by any kind of pension plan: from roughly two million workers covered then to more than 3.4 million now. Of these, approximately three million have opted for the private plans, which roughly resemble IRAs. Those private plans have created a new capital pool of $2.5 billion for investment, a staggering sum in a country with a gross domestic product of only $28 billion. As of 1986, those funds were authorized to invest up to 30 percent of their portfolios in blue-chip stocks and shares of state-run companies, thus speeding their privatization. In the first four years, the

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dozen companies set up to manage the pension funds produced an average 10 percent annual rate of return. Together with the expansion of private stock ownership and debt-equity swaps, the IRAs have helped make Santiago one of the world's hottest stock markets, rising 20-fold between 1975 and 1986, and by 65 percent from November 1986 to November 1987 in spite of the worldwide crash.

Prosperity and the Poor

Chile's economic miracle has not, of course, solved all the country's problems. Some 14 percent of the nation's population still live in officially classified poverty, down from 21 percent in 1973. Mud- and tin-hut shantytowns, which sprang up in the mid-1960s, still hug the outskirts of big cities. But even here, Chile's performance far outshines those of its neighbors in addressing poverty. A 1986 World Bank Study, "Poverty in Latin America: The Impact of Depression" favorably contrasted Chile's anti-poverty policies during the severe recession of the early '80s with those of Argentina, Brazil, Costa Rica, and Mexico:

> The Chilean case is particularly interesting because it represents a successful attempt to focus government social spending on the poorest segments of the population. By slashing government spending on upper-income groups and targeting expenditure on the poorest, it has been possible to provide the most urgently needed social services in spite of the grave economic crisis.... Chile's performance in targeting social spending is unequaled in the region, and substantial improvements in efficiency have been achieved in the delivery of social services to the poor. ... In Chile there has been continuous progress through 1984 (the year of the most recent data) in general mortality, infant mortality, and neonatal mortality.... Nutritional surveys show a declining trend in malnutrition among children under six years old.... Rates are among the lowest in the developing world.

With one of the most effective public works programs in Latin America, Chile under Pinochet has provided 77 percent of the urban population with sewage systems, and 97 percent with drinkable water. By 1990, 82 percent of the rural population will have drinkable water. (70 percent already do.)

Middle class progress has come mainly not from the central government but from a greatly expanded economic pie. In 1970, 29 percent of all households had a refrigerator; by 1982, 49 percent did. Car ownership during the same period rose from 10 percent to 18 percent, television ownership from 20 percent to 78 percent, home ownership from 54 percent to 63 percent. In 1970, 21 percent of homes were made of adobe, mud, or refuse. By 1982, that percentage was down to 14 percent.

Reuters/Bettmann Newsphotos

Anti-Pinochet demonstration: Political debate in Chile is as spirited as in most other Latin American countries.

Prospects for Democracy

Whether this economic prosperity will lead to a return to democracy is at this point still unclear. As much as a quarter of the voting-age population is committed to the radical left, and is therefore on a collision course with the remaining 75 percent. The violent armed left now seems to be on the run, but if it begins gaining strength, then a harsh crackdown by Pinochet and other military leaders will win wide middle-class acquiescence.

The mechanisms for a return to democracy are now in place. The opposition has the opportunity to defeat Pinochet or another junta candidate simply by mobilizing people to vote no in the plebiscite.

Over the past 14 years Pinochet and his associates have attempted to construct a new culture of popular capitalism, revolutionary in both its economic and political dimensions.

It remains to be seen whether this revolution survives the return to democracy now in Chile's grasp. It is, to be sure, a circumscribed and limited democracy, but one that contains within it the seeds for Chileans to harvest according to their own needs.

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No More Static

People In Glasnost Houses Shouldn't Jam Broadcasts

Richard W. Carlson

In May 1987, the Soviet Union suspended jamming Voice of America (VOA) radio broadcasts in Russian and 10 other Soviet and Baltic languages. The halt in purposeful interference, coming four months after a similar end to jamming of BBC external broadcasts, has been hailed by many in the West as another step in Mikhail Gorbachev's "glasnost" campaign. But the shift in Soviet jamming policy should not be exaggerated. In clear violation of international treaties to which they are a party, the Soviets continue to interfere deliberately with certain foreign radio broadcasts.

Jamming is more concentrated than ever on broadcasts that might strengthen the cultural memory of peoples whose national identities the Soviets are trying to suppress. VOA broadcasts in Polish as well as the Afghan languages of Dari and Pashto are still being jammed. So are Hebrew and Yiddish broadcasts by Kol Israel, which help keep alive Jewish culture in the Soviet Union, and Russian-language broadcasts by Deutsche Welle, the West German radio service, which have a special appeal to the Volga Germans and the Baltic republics.

What is more, the Soviets have apparently intensified their full-scale jamming of Radio Free Europe/Radio Liberty (RFE/RL), U.S.-sponsored broadcasts to Eastern Europe and the USSR that specialize in political news and information about Warsaw Pact countries. About two-thirds of Soviet jamming historically has been directed at RFE and RL, which employ many Soviet-bloc emigres, and provide extensive news coverage of the countries to which they broadcast. At least two sky wave transmitters formerly used to jam VOA broadcasts have now been retargeted toward RFE/RL.

Nor is there any evidence that the Soviets have significantly reduced the extraordinary resources they devote to radio interference. A study by the BBC in 1985 estimated that the Soviets spend between $750 million and $1.2 billion every year to jam Western broadcasts, an amount several times higher than the combined annual budgets of the BBC, VOA, RFE/RL, Kol Israel, and Deutsche Welle. There have been no estimates to date of a substantial reduction in Soviet capital or operating expenditures devoted to jamming. (In comparison, the entire 1987 operating budget of the Voice of America, which broadcasts in 44 languages to more than 130 million people worldwide, was only $169 million.)

As many as 15,000 technicians still operate an estimated 2,500 to 3,000 Soviet jamming transmitters in the USSR, Bulgaria, Czechoslovakia, and Poland, using at least one billion kilowatt-hours of energy per year. This is slightly less than the annual residential consumption of electricity in Washington, D.C.

Since the Soviets are so aware of the power of words and have made propaganda a central element of maintaining control, it is no surprise that they are willing to go to extraordinary lengths to jam Western broadcasts. They fear the effect of an informed public opinion on the legitimacy of their regime and on the Communist Party power structure.

Western radio broadcasts are the closest thing to a free press in the Soviet Union and Eastern Europe. They provide information that Soviet authorities don't want their citizens to hear. Last August, for example, 5,000 people joined peaceful demonstrations in the Latvian capital of Riga to mark the 48th anniversary of the pact between Hitler and Stalin, which led to Soviet annexation of Estonia, Latvia, and Lithuania. VOA and Radio Free Europe had reported plans for the demonstrations; Janis Rozkalns, one of the organizers of the protest, claimed that "without the Western radio, we might have had 100 or 200."

History of Jamming

Frequency jamming has been used as an effective weapon since the early part of the century. During World War I, the Germans used a 5-kw (kilowatt) transmitter to interfere with telegram traffic between Paris and Petrograd. In 1926, Romania jammed Soviet broadcasts to Bessarabia. The Austrian government jammed Nazi German broadcasts in 1934. Each side in the Spanish civil war jammed the other's broadcasts.

During World War II, jamming became a significant instrument of military strategy. The Nazis blocked BBC broadcasts for political reasons; they also used jamming as a military weapon to interfere with radar installations along the English Channel. Italy and Japan also engaged in

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extensive jamming, and France jammed French-language broadcasts from Germany.

In contrast to the several nations that have resorted to jamming primarily in wartime, the Soviets have engaged in systematic peacetime jamming for 40 years, intensifying their efforts during periods of military intervention and political repression in Eastern Europe and Afghanistan.

The Soviets began interfering with Western broadcasts during the Berlin Blockade in 1948 and have been jamming intermittently ever since. In September 1959, when Soviet Premier Nikita Khrushchev visited the United States, jamming of VOA and BBC was lifted; selective jamming resumed soon after he returned. Jamming of VOA and most other Western broadcasters was suspended in 1963 about the same time the Nuclear Test Ban Treaty was signed. But five years later, massive jamming was resumed with the Soviet invasion of Czechoslovakia. The initial meetings in Helsinki of the Conference on Security and Cooperation in Europe (CSCE) in 1973 saw a general relaxation of interference with VOA, BBC, and Deutsche Welle broadcasts, although jamming of Radio Liberty continued unabated. Soviet internal and external crises such as the rise of Solidarity in Poland in 1980 and the invasion of Afghanistan caused the electronic curtain to close again.

Technology of Interference

Jamming, the deliberate, harmful interference to a radio signal in the audio spectrum, is accomplished by intentionally broadcasting irritating noise, sounds, or programs on or near the same frequency as the broadcast to be blocked. There are three basic methods of doing this, and the Soviets use all three.

Ground wave or local jamming has varying effectiveness depending on the location and power of the jammers, the signal strength of the incoming broadcast, and even the quantity of structural steel in surrounding buildings. The Soviets use more than 2,500 ground wave jammers; we know from the identification signals that Soviet engineers use to monitor the effectiveness of their jamming, that the Soviets have placed jamming stations in every Soviet city with more than 500,000 people, and in recent years have moved as well to many cities with populations as low as 100,000.

Sky wave transmitters bounce jamming signals off the ionosphere, at an angle calculated to return them to earth hundreds or even thousands of miles away in the same general location as the foreign broadcast. Sky wave jamming has a much larger "footprint," that is, covers a much larger sector in the broadcast target area, than ground wave jamming. The Soviets may have as many as 250 sky wave jammers, including a cluster of transmitters near Leningrad that can place an electronic curtain over most of the southern half of European Russia.

Although sky wave jammers are more powerful than ground wave jammers, their efficiency is affected by atmospheric conditions. They may be subject to "twilight immunity" in the early evening hours: changes in the ionosphere after the sun has set make it difficult for jammers in the east to interfere with radio broadcasts from the west, where it is still daylight.

The third method of jamming is for the Soviets to cover a Western broadcast signal with one of their own domestic radio programs. This interference, while less effective than the electronically produced "white noise" emitted from ground wave and sky wave jammers, enables the Soviets to deny they are jamming.

The Soviets have been so intent on blocking Western radio signals that they have become a victim of their own jamming. Their jamming transmitters are so powerful that at times a deafening roar overtakes frequencies used for their own broadcasts. Soviet jamming also affects radio transmissions in countries thousands of miles from its target area. VOA engineers estimate that 60 percent of radio transmissions in specific bands in Africa have been affected by stray Soviet jamming.

The Soviets spend $750 million-$1.2 billion every year to jam Western broadcasts; that's more than the annual budgets of the BBC, the Voice of America, Radio Free Europe/Radio Liberty, Deutsche Welle, and Kol Israel combined.

Getting Through the Curtain

Despite Soviet jamming, Western broadcasts, VOA, BBC, RFE/RL, and Deutsche Welle enjoy wide audiences. More than 32 million people in the Soviet Union and the Baltic republics, and another 30 million in other parts of Eastern Europe listen to Western broadcasts on a regular basis (once a week or more), and one-third of all Soviet adults tune in to Western radio on an occasional basis. In times of crisis, such as the Chernobyl disaster in 1986, this figure rises dramatically.

In Poland, where jamming is intensive, 59 percent of Polish adults still listen to RFE regularly. VOA broadcasts on medium wave (or AM band), which are not jammed, also draw a large audience (48 percent).

In spite of the heavy jamming of shortwave frequencies, the Soviets rarely interfere with medium-wave broadcasts. While shortwave frequency assignments are rather dynamic, often changing with every season, medium-wave assignments are fairly constant. They're scarcer, and, hence, more valuable to national broadcasters. Interference with AM broadcasts, which is much more obvious, might have greater political ramifications than shortwave jamming. It appears that the Soviets jam only those AM broadcasts that might inflict the most damage—in Poland, only RFE/RL is jammed on the medium wave.

The effectiveness of jamming is difficult to document. Since jamming of BBC broadcasts was lifted in January 1987, their audience has increased an estimated 16 percent;

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Radio Free Europe/Radio Liberty

In Gdansk, Poland, Solidarity leader Lech Walesa listens to Radio Free Europe as his wife Danuta accepts his 1983 Nobel Prize for Peace in Oslo.

similar increases in listenership are expected for VOA and others. Meanwhile, jammed stations and regional broadcasts in Eastern Europe are losing some listeners as a result.

Some of the smaller regional broadcasters such as Radio Finland and Radio Sweden, which concentrate primarily on entertainment rather than news programs, already have noted dwindling audiences, partially as a result of better Soviet entertainment programming. On this front, the Soviets have become increasingly sophisticated. Realizing that most listeners to Western broadcasts tune in between eight and midnight (with highest numbers listening at 11), they have begun programming rock concerts on radio and first-run movies on television at these times to draw listeners away. Both VOA and BBC have Friday and Saturday evening rock music programs targeted to Soviet youth; the USSR has begun its own music shows to air at the same time. To counter the popular VOA Russian "Night Owl" program, which is aired from midnight to one, the Soviets have recently tried their own version of this political commentary and news feature show.

Jamming may be one of the most insidious means of depriving citizens of information, but it is not impenetrable. VOA often receives reports of listeners, in the Soviet Union and elsewhere, who travel from their urban homes to the countryside to listen to Western broadcasts. Outside the range of ground wave jammers, the faithful listeners record the programs and bring them back to share with friends and neighbors. But perhaps the most ingenious evasion of jamming allows listeners in Afghanistan to hear programs in their native languages, albeit a few weeks late. VOA Pashto and Dari Service broadcasts are taped and the cassettes are sent to mujahideen groups in Afghanistan, Pakistan, and elsewhere. More than 2,300 tapes were distributed in 1986, informing and inspiring untold numbers of freedom fighters.

Elena Bonner, wife of the Soviet dissident Andrei Sakharov, in her 1985-86 trip to the United States, recounted to VOA officials how she and her husband would listen to the Russian Service news broadcasts at the top of each hour. The interference would be so bad that they could only catch words here and there, which they would write down. At the end of the day, by putting all the sentences together, they could gain a rudimentary idea of news from the West.

Listeners have often been persistent and ingenious in their efforts to pierce the electronic curtain. One VOA listener claims that covering his shortwave radio with a wet towel filters out the irritating jamming noises. In Libya, some have reported that putting their radios in aluminum stock pots is effective. In Afghanistan, where broadcasts are not jammed in the early morning, the devoted often arise at four to listen to Western programs.

Soviet Audience

The Soviets have always directed their most intensive jamming at the non-Russian nationality languages—Armenian, Azeri, Belorussian, Dari, Georgian, Kazakh, Pashto, Tatar, Tajik, Ukrainian, and Uzbek, as well as those of the Baltic republics of Estonia, Latvia, and Lithuania. Broadcasts in English, which pose little threat because usually only the Party elite speak the language, are rarely jammed. In fact, many senior Soviet government officials rely on Western broadcasts to stay informed; there have been reports that at least one Russian broadcast frequency was left open for the use of high-ranking Party members.

Overwhelmingly, Soviet emigres and travelers to the West say their primary reason for listening to Western broadcasts was the desire to obtain accurate news about the world and the Soviet Union. Other reasons included: moral support, contact with the outside world, inadequacy of the Soviet media, and desire to hear a foreign point of view.

RFE/RL's May 1987 "Monthly Summary of Listener Reactions to Voice of America in the USSR" provides some good examples of why people listen. One respondent stated that he "would much rather tune in Western radio than read Soviet newspapers. VOA's news, commentaries, and programs such as "American Press on the USSR" are my main source of information on the world and USSR." Another states: "VOA is very important to me because it talks about human rights in the USSR boldly and truthfully. Before VOA, I had no idea that people in other countries had more rights than Soviet citizens!"

The second greatest reason Eastern bloc listeners tune in to Western broadcasts is entertainment. The largest audience (more than 100 million people) for any regular international broadcast in history belongs to VOA's "Music

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USA." The jazz program host, Willis Conover, is better known than most American statesmen, and when he travels to Eastern bloc countries, such as Poland, thousands of devoted fans greet him. Conover's impact cannot be overstated. Scores of jazz museums in the Soviet Union and Eastern Europe credit "Music USA" with introducing them to the uniquely American music.

In his recently published memoirs, *In Search of Melancholy Baby,* the Russian writer Vassily Aksyonov called jazz "America's secret weapon number one." Now living in exile in Washington, Aksyonov wrote that the "Music USA" broadcasts of his youth "made for a kind of golden glow over the horizon when the sun went down, that is, in the West, the inaccessible but oh so desirable West."

Conover's popular English broadcast jazz program has never been jammed. The allure of jazz has transcended the barriers of a closed Soviet society and has resisted Stalinistic efforts to mold popular tastes. In fact, jazz is one of the most popular forms of music in the USSR, perhaps more so than in the United States.

Violated Treaties

Jamming directly violates numerous international treaties and regulations to which the Soviet Union is a party. Specifically, jamming violates:

- The Universal Declaration of Human Rights adopted by the United Nations General Assembly in 1948: Article 19 advocates the "right to freedom of expression and to seek, receive and impart information and ideas through any media regardless of frontiers."
- Article 35 of the 1982 International Telecommunications Convention: "All stations, whatever their purpose, must be established and operated in such a manner as not to cause harmful interference to the radio services or communications of other members."
- The Final Act of the 1975 Helsinki accords: "The participating states . . . make it their aim to facilitate freer and wider dissemination of information of all kinds."

The International Frequency Registration Board (IFRB) issued a report at the 1987 World Administrative Radio Conference that fully documents, for the first time, Soviet jamming practices. The IFRB concluded that the Soviets prior to May 1987 were using 37 short-wave frequencies in the USSR, Czechoslovakia, and Poland to jam VOA and RFE/RL broadcasts.

Open the Air Waves

There appear to be some internal calls for opening the air waves. Alexander Bovin, a prominent journalist, wrote in the April 16, 1987 *Izvestia* that he hoped "the time of the 'jammers' is coming to an end." Vitaly Korotich, editor of the Soviet magazine *Ogonyok,* echoed Bovin in remarks before the National Press Club in Washington, D.C., on April 22, when he openly expressed that he believed that jamming would halt. Shortly thereafter, it ceased against VOA transmissions to the USSR.

The Soviets had already stopped jamming the BBC's vernacular broadcasts on the eve of British Prime Minister Thatcher's trip to Moscow in January 1987. When that policy was greeted with favorable response, enhancing Gorbachev's public image, it set the stage for further cessations of jamming.

VOA's Willis Conover is greeted by fans during a 1984 trip to Warsaw.

In the past, the Soviets explained they jammed Western broadcasts as a service to their citizens. Khrushchev stated in a television interview during his 1956 visit to the United States that the Soviets jam in order to prevent their people from getting a false view of Americans.

The Soviets have argued at the Helsinki conference and followup sessions that they have the right to jam because: governments have the right to control information from abroad; Western radio broadcasts are subversive instruments of psychological warfare designed to incite rebellion within the Soviet bloc; and Western radios are manned by "traitors, deserters, turncoats, and former Nazi flunkies and renegades."

These charges are feeble, especially in light of the massive and systematic campaign the Soviets have conducted against Western broadcasts for the last 40 years. Despite Soviet rationalizations, jamming violates the fundamental human right of free expression, and is a confession of internal weakness.

Although we welcome the easing of interference directed at VOA broadcasts, the Soviets should not be rewarded for simply not breaking the law. We expect the Soviets to adhere to the basic tenets of human rights, including the fundamental right of freedom of expression.

If the Soviets are sincere about reform they should cease jamming all broadcasts and be willing to compete freely and fairly in the international marketplace of ideas. As proof of that sincerity they should immediately dismantle each of their jamming stations, thereby eliminating the temptation of turning them back on as soon as it suits their political interests.

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BOOK REVIEWS

What to Read on Nicaragua

An annotated bibliography by Mark Falcoff

Since 1979, the number of books on Central America available for the English-speaking reader has increased more than fivefold, and the number on Nicaragua almost tenfold. To some degree, the publishing industry has followed the national debate. In 1980 and 1981 most books on Central America dealt with El Salvador; today most address Sandinista Nicaragua.

As any visitor to a bookstore will quickly discover, the vast majority of these books support the Sandinista regime or, at a minimum, are hostile to U.S. policy. Since 1984, books have begun to blur distinctions about the conduct of the Sandinistas at home and to concentrate almost exclusively upon the sins, real or imagined, of the Nicaraguan resistance forces. Many titles make no pretense to objectivity, much less commitment to democratic values as we understand them. This is true for products not merely of small, left-wing houses but also of many mainstream imprints such as Adriana Angel and Fiona Macintosh's *The Tiger's Milk: Women of Nicaragua* (Henry Holt and Co., 1987), a glossy coffee table production full of lush photos and lurid prose. (According to the authors, the Sandinistas are not merely bringing education and health to the poor and needy, but "open[ing] a space to [Nicaraguan women] to realize their potential as never before.")

A typical product of small presses is Ron Ridenour's *Yankee Sandinistas: Interviews with North Americans Living and Working in the New Nicaragua* (Curbstone Press, 1986). Chapter titles include "This Is My Revolution, Too," "Jesus Would Be Happy in Nicaragua Today," "I Was Always a Rebel," and—the *pièce de résistance*—"Jailers with Compassion." Connecticut residents may be interested to know that the flyleaf of this book announces that its costs were partly underwritten by the Connecticut Commission on the Arts, "a State agency whose funds are recommended by the Governor and appropriated by the State Legislature."

While on Nicaragua—as on several highly controversial topics—there appears to be some informal censorship at work within the community of book publishers and editors, it is also true that the market for Latin American books in the United States is a "left" market, and in providing the titles they do, publishers are responding to economic logic. They are driven to some extent by orders from university bookstores, where courses on Latin America tend to be taught in the United States by leftish or Marxist academics. Nonetheless, some very good books have been published on Nicaragua, many of them quite useful in understanding the current situation and often rich in materials for supporters of the democratic resistance. Few are available at ordinary bookstores; however, most of them can be acquired through the mail or by special order at full-service bookstores.

History

For those interested in the background to U.S. involvement, the essential book is Neill Macaulay's *The Sandino Affair* (Duke University Press, 1985). This book, which covers the period 1912-36, is particularly valuable in fleshing out the personality and role of the man after whom the Sandinista Front has taken its name and should be read together with Richard Millett's *Guardians of the Dynasty* (Orbis Books, 1977). *Guardians,* which carries the story forward from 1936 to nearly the end of the Somoza dynasty, focuses upon the creation of the National Guard and the rise of the Somoza family; though critical of the U.S. role, it also provides a balanced assessment of the U.S.-Somoza relationship. Among other things, it shows that the United States intended a wholly different outcome in creating the National Guard; that the elder Somoza benefited from the new doctrine of automatic recognition of "revolutionary" governments that the Latin American states had forced upon the Hoover and Roosevelt administrations; and that, in fact, over the years the Somozas often carried out their plans over heated U.S. opposition. Above all, *Guardians* shows that the United States never "installed" the Somozas in power, a myth the Sandinistas and their American supporters never tire of repeating.

Two recent books illuminate the later period of the Somoza regime. Joshua Muravchik's *The Uncertain Crusade: Jimmy Carter and the Dilemmas of Human Rights Policy* (Hamilton Press, 1986) and Robert A. Pastor's *Condemned to Repetition: The United States and Nicaragua* (Princeton University Press, 1987) reveal from very different perspectives the way the Carter administration—working at cross-purposes with its own stated goals—undermined Somoza without successfully engendering an acceptable democratic replacement. Pastor, a former official of the Carter National Security Council is now adviser-in-residence on Latin American affairs at the Carter Center

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in Atlanta and a tireless and uncompromising critic of Reagan policies in Central America. His book nonetheless is full of material damaging to his own position and that of the administration in which he served. *Condemned* also provides a liberal Democratic critique of the thesis that the United States always supported Somoza; as Pastor points out, the U.S. spent far more time and effort trying to get rid of him than it ever did supporting him, or his father or brother before him.

The Sandinistas and the Resistance

Though some authors still present the FSLN as a confused mixture of Marxists, Christians, and idealists groping for a definitive synthesis, in *FSLN: The Ideology of the Sandinistas and the Nicaraguan Revolution* (Institute of International Studies, University of Miami, 1984), David Nolan draws upon an abundance of documents long in the public domain to show that the Front has always been Marxist-Leninist, and has always considered itself a part of the worldwide movement of parties headed by the Soviet Union. Nolan, a career foreign service officer, agrees that in the past there have indeed been differences among Sandinista factions, but these concerned tactics, not overall goals. The book also includes an easy-to-use biographical appendix of "who's who" in both the Marxist and democratic camps.

Shirley Christian's *Nicaragua: A Revolution in the Family* (Random House, 1985), Humberto Belli's *Breaking Faith* (Crossways Books, 1985, and available through The Puebla Institute), and Douglas W. Payne's *The Democratic Mask* (Freedom House, 1985) deal with the Sandinista seizure of power and use of Leninist techniques to rapidly convert an apparently broad-based popular movement into one controlled by them alone. Christian, a former Pulitzer-prize winning correspondent of the *Miami Herald,* is particularly good on showing how and why the Sandinistas have aroused popular resistance among some of the humblest sectors of Nicaraguan society, including peasants, market women, and the Indian communities of the Atlantic coast. Belli, a former editorial writer for *La Prensa* and a former Sandinista, concentrates on the church, showing how the Sandinistas have used resources from mainstream American Protestant denominations to persecute anti-Communist elements in the Nicaraguan religious community. Payne, a Latin American specialist at the human rights organization Freedom House, has drawn a detailed chronology of events in Nicaragua that shows that the Sandinistas have not reacted to U.S. "provocations" at all, but were well along in the Stalinization of their society before the Reagan administration ever took office.

Though most Western European writers who have visited Nicaragua—particularly West Germans—have been ecstatic about the Sandinistas, Martin Kriele, a professor of constitutional law at the University of Cologne, was horrified by what he found there. His report, *Nicaragua: America's Bleeding Heart,* is available free of charge from the Konrad Adenauer Stiftung in Washington, D.C. For his views Dr. Kriele was expelled from the German Social Democratic party.

There is no good book yet on the Nicaraguan democratic resistance. Most describe it as an extension of the Somoza regime, even though many of its leaders—notably Adolfo Calero and Alfonso Robelo—actually predate the Sandinistas in their opposition to the dictatorship. Some useful analysis is found in both Shirley Christian's and Martin Kriele's books. One book that presents both sides of the controversy, with reasonable success, is Jiri Valenta and Esperanza Durán's *Conflict in Nicaragua: A Multidimensional Perspective* (Allen & Unwin, 1987).

Forrest D. Colburn's *Post-Revolutionary Nicaragua: State, Class, and the Dilemmas of Agrarian Policy* (University of California Press, 1986), a somewhat specialized academic monograph, illustrates how political agendas inspired by Marxist ideology work at cross-purposes with elementary economic logic, and yet often prevail against it. This book is indispensable for fully understanding the success of the resistance forces in recruiting peasant fighters.

The International and Soviet Dimension

The best materials on regional and international dimensions of the Central American crisis are found in *Rift and Revolution: The Central American Imbroglio* (American Enterprise Institute for Public Policy Research, 1984), edited by Howard J. Wiarda. Especially notable are chapters by Jiri and Virginia Valenta, "Soviet Strategy and Policies in the Caribbean Basin," Eusebio Mujal-León, "European Socialism and the Crisis in Central America," and Edward J. Williams, "Mexico's Central American Policy: National Security Considerations." The carefully nuanced analysis of the Valentas, who place the entire region within the larger context of Soviet strategy, is a welcome antidote to the notion, endlessly repeated by critics of the Reagan administration, that the Soviet Union is "not interested" in Central America.

These chapters need to be read together with Arturo Cruz Sequeira's "The Origins of Sandinista Foreign Policy" in *Central America: Anatomy of a Conflict* (Pergamon Press, 1984), edited by Robert S. Leiken. Cruz, a former Sandinista functionary, shows how the FSLN sees the world and its place in it, and how it responds (or fails to respond) to outside incentives. Also useful are the chapters dealing with the internationalization of the Nicaraguan civil war in Valenta and Durán's *Conflict in Nicaragua.*

Critics of U.S. policy in Nicaragua who base their position on international law must now confront the careful brief of Professor John Norton Moore, *The Secret War in Central America: The Sandinista Assault on World Order* (University Publications of America, 1987). The chapter entitled "Recurrent Misperceptions" tackles head-on many of the hardiest arguments of the American liberal community and press.

Human Rights

In no area has the self-styled "human rights community" fallen so far short of its own standards as in the case of Nicaragua. The most egregious offender is Americas Watch, whose figures on political prisoners in Nicaragua are actually lower than that of the regime itself! In its reports Americas Watch does not report on torture, or rather, shies away from the word altogether because it has specific juridical and methodological import. In its most recent report on Nicaragua, Americas Watch went even

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further: for the first time—and utterly at variance with its practice elsewhere—it "documents" how the Sandinista regime *adheres* to human rights practices.

Unfortunately, on Nicaragua the record of Amnesty International—so admirable on other parts of the world—is not significantly better. It, too, avoids using the term "torture" in the context of the Sandinista government; the one place where the word appears in its 1986 report applies to the conduct of the resistance forces. Because the U.S. press frequently cites Amnesty International and Americas Watch on human rights issues, many well-intentioned people are often radically misinformed about conditions in Nicaragua.

There are, however, publications available that adhere to high standards of veracity: the *Annual Report* of the Inter-American Commission On Human Rights, a branch of the Organization of American States; the IACHR also publishes a special report on Sandinista treatment of the Miskito Indians that is notable for its exhaustive and careful methodology.

The Puebla Institute, a human rights organization of Roman Catholic laity, has published two profoundly unsettling documents, *Fleeing Their Homeland* (based on the testimony of Nicaraguan refugees concerning conditions in their country that impelled them to escape to Honduras or Costa Rica) and *Ground Zero: The Status of Human Rights in Nicaragua,* which reviews the entire range of human rights observances and abuses. The Puebla Institute also publishes six times annually *Nicaragua in Focus,* which reprints relevant material on human rights and political development.

Those who wish to have a better idea of the way that legal institutions work in the new Nicaragua should consult the report of the Lawyer's Committee on Human Rights in New York, *Revolutionary Justice,* which looks into both the "peoples' court" set up by the Sandinistas and the ordinary police courts.

Most of the documents needed to understand Nicaragua's present regime can be found in more than 100 pages of appendices to Valenta and Durán's *Conflict in Nicaragua.* An even more exhaustive selection is found in *The Central American Crisis Reader* (Summit Books, 1987), edited by Robert S. Leiken and Barry Rubin—by far the most complete sourcebook available on all aspects of the subject. Of particular interest is Chapter Three, "The Sandinistas in Power," in which both the Sandinistas and their Nicaraguan critics speak forthrightly.

Another reader, edited by Mark Falcoff and Robert Royal, *The Continuing Crisis: U.S. Policy in Central America and the Caribbean* (Ethics & Public Policy Center, 1987) devotes its second section to Nicaragua. It includes analyses from a variety of viewpoints, most, however, skeptical or critical of the Sandinistas, including contributions from Cardinal Obando y Bravo; Jaime Chamorro, editor of *La Prensa;* Michael Walzer; John Norton Moore; Paul Hollander; and Edén Pastora Gómez.

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Organization of American States
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Demography Is Destiny

The Birth Dearth, *by Ben J. Wattenberg (New York: Pharos Books, $16.95).*

Reviewed by Angela Grimm

The birth rate in Western nations has fallen dramatically, a fact that presages if not disaster, at least a diminished role and influence for the West in the 21st century and beyond. Such is the thesis of Ben Wattenberg in *The Birth Dearth,* a sobering rejoinder to latter-day Malthusians.

Always ready to puncture the pieties of the day regarding social trends, Wattenberg is among the first demographers to analyze the consequences of baby-boomer barrenness. He is alarmed by what he sees, and alerts the West to imminent peril if current trends are not reversed. He succeeds only partially. He offers convincing evidence of the predicament, but is not particularly helpful in undercutting the rationale that made infertility seem a virtue until only recently. The birth rate will not change until attitudes about the value of children do, and Wattenberg has little to say on that subject.

Most demographers assumed that Western birth rates would level off at replacement level, 2.1 children per woman, as a natural mechanism for preservation of the species. That has not been the case. From a 1957 Total Fertility Rate (TFR) of 3.77, the TFR for the United States has fallen to 1.8, and many demographers expect it to go still lower. Other Western industrialized countries have suffered similar or even worse declines. West Germany now has a "near-suicidal" birth rate of 1.27 children per woman. Because of immigration and longer life expectancy, these low rates have only slowed growth so far. But unless the trend changes soon, the populations of industrialized democracies will begin to decline in the year 2010.

Ehrlich's Bomb

Those still under the spell of Paul Erhlich's 1968 book, *The Population Bomb,* which predicted worldwide famine and destitution if population growth didn't abate, might see this as a victory for modern man and technology. Wattenberg's analysis, however, leaves little doubt that the birth dearth is a cause for concern, not celebration.

Wattenberg shows that the birth dearth will have a devastating economic impact. He argues that the rapid growth of postwar America's population practically assured financial success to anyone with a real product or service. The market was increasing so quickly that it was almost impossible not to increase sales and profits. A declining population will have just the opposite effect. For example, the housing industry will be hit especially hard when there are fewer families to buy new homes. Eventually, there will not even be enough families to buy old homes from their aging owners. We are looking toward an economy where house wrecking rather than house building is a growth industry.

As the bulk of the U.S. population reaches retirement age, major difficulties will beset Social Security, or any retirement plan. In 1985, there were five productive workers to every retiree; by 2035, as baby-boomers retire and birth-dearth babies make up the work force, there will be only 2.5 workers for each retiree. Most people believe that they are paying into the Social Security trust fund for their own retirement. Not true, says Wattenberg: "We don't put money into the Social Security program for our own pensions. We put in babies." Baby-boomers just haven't been giving their share of babies.

Increased technology cannot substitute for new citizens in providing for our future economic well-being. As our population grows grayer, business, and society in general, will suffer malaise. Without new blood, new ideas, and the willingness to take risks, the culture and economy of Western nations will stagnate. As Wattenberg notes, " 'Manifest Destiny' was not the cry of a no-growth continent of old people." Instead of a dynamic, creative society, we can expect, in the words of French demographer Alfred Sauvy, "A society of old people, living in old houses, ruminating about old ideas."

A failing economy is only one serious consequence of the birth dearth. Neither Soviet-controlled central Asia nor the Third World countries face a birth dearth. The Eastern European countries now have a 2.1 TFR, partly attributable to coercive pro-natal policies; but the real increase in population will come from the Eastern, predominantly Muslim population. The Third World fertility rate has decreased considerably in the last 15 years, but their TFR is still 4.1. By the end of the next century, the West will have 200 million fewer souls than it has now, as opposed to a population 4.3 billion larger in the Third World. As their population continues to grow and ours begins to shrink, the political and cultural influence of Western nations will diminish.

The birth dearth will adversely affect our defense capabilities. West Germany already has trouble fulfilling its manpower commitment to NATO. More sophisticated weaponry might compensate for a lack of manpower, but the ability of our diminishing tax base to pay for such expensive equipment is questionable, as is our ability to find skilled labor from a shrinking labor market to operate this equipment. As our population shrinks, the United States, and the Western world in general, will have less influence and become vulnerable to attack.

None of these dire results of the birth dearth is inevitable. We have met the challenges of fluctuating populations before (though not such a drastic one as Wattenberg foresees). Wattenberg's warning may be enough to catalyze

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business and government adjustments to changing demographics, gearing up, or down, for an older consumer population, and developing less labor-intensive production technology.

The losses we cannot compensate are the personal ones. By and large, Wattenberg asserts, people without children are less happy than people with children. The Urban Institute estimates that it costs approximately $135,000 to raise a child from birth to college graduation. The costs of not having children, in the coinage of human suffering and loneliness, are much higher.

As Third World population continues to grow and ours begins to shrink, the political and cultural influence of Western nations will diminish.

Wattenberg repeatedly insists that he does not intend to be alarmist, but his predictions are nonetheless alarming—almost as alarming as the predictions of hunger and squalor in Erhlich's *Population Bomb*. Wattenberg hopes to change people's attitudes about having children, but he is not likely to be as effective as Erhlich was in changing people's minds. This is certainly not a criticism of Wattenberg's arguments; his conclusions are soundly based in human demographics.

Both books attempt to influence the behavior of individuals by demonstrating the global effects of their actions. Such arguments are successful only when one can also forcefully draw the connection to the individual's well-being, or if one's message already coincides with the inclinations of one's audience. *The Population Bomb*, however inaccurately, predicted more imminent personal threats than Wattenberg's book does, and it prescribed a behavior that people were ready to accept for other reasons. *The Population Bomb* was an easy yoke to bear; *The Birth Dearth* is a hard saying.

The factors that Wattenberg lists as causes of the birth dearth are the same factors that made Erhlich's message so palatable in the late '60s. The Pill made it easy and putatively safe to avoid pregnancy; Vietnam demoralized young people; inflation began eating away at economic stability for families; and opportunities for women in education and the workplace increased dramatically. In addition, the legalization of abortion in several states made birth control absolute, and made children into commodities to be disposed of as one wished. Everything except basic biology and natural longings went against the choice to have a child. *The Population Bomb* merely gave an altruistic rationale for what was, in most cases, a decision based on economics and convenience. How many of the people that brag that they will not (and that you should not) burden the biosphere with more than one baby actually feel as if they are sacrificing something?

In the late 1980s, things are somewhat different, but not substantially. The Pill and some other methods of artificial contraception are increasingly considered dangerous; the public morale is generally good; the economy is improved; the population is purportedly more conservative. But raising children still requires a major sacrifice of time, money, convenience and—what is so important in this decade—life style. And in the last 20 to 30 years, the propaganda for contraception and abortion has been successful in teaching that children are *not* worth the sacrifices. In a way, Wattenberg's proposed remedies for the birth dearth perpetuate that myth.

Children As Commodities

Wattenberg's analysis is very good, but his policy prescriptions are doomed to failure because they are based on the principle that the worth of children can be weighed on the same scale as other goods. His remedies focus entirely on making the decision to have children more pragmatic, financially feasible, and convenient, all for the sake of increasing births and avoiding the various dire circumstances he has described. All of this is good and necessary and perhaps the best that he can do within the science of demography, but the only thing that will really tip the scale in favor of having children is a recognition of their transcendental worth above the material things sacrificed for their sake.

That Wattenberg does not entirely understand this is indicated by his refusal to recommend outlawing abortion. He states that abortion must remain legal, giving no particular argument for this aside from his own "conventional/libertarian" attitude on such issues. While it is difficult to make a statistical case that prohibiting abortion would significantly affect the birth rate over a long period, it would have an immense effect on the way that people view children, which is the real root of the problem.

The devaluation of fetal life has led, as abortion opponents feared, to the point where starvation of a retarded infant by its parents is casually ratified by the state courts of Indiana. The acceptance of abortion has created a climate that reinforces the natural tendency to think of children as something less than a sacred trust.

As long as children are seen as mere commodities or investments, to be taken or left as one chooses, they are not worth the investment. Even as vehicles for self-fulfillment or company in old age they do not seem to outweigh the gratifications of a career for many women. Only when babies are valued as human beings, and as the greatest blessings of life will people be willing to make the great sacrifices to have them.

Wattenberg's book can have a positive effect, however, in creating a climate in which it is no longer considered a crime against humanity to have more than two children. I know many young couples who have been accosted by strangers who find it necessary to scold them for the size of their families. *The Birth Dearth* could help to defend the honor of those who do make the sacrifices for children's sakes, and, incidentally, for the world's sake. ☎

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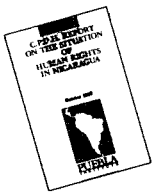

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LETTERS

Senator Robert W. Kasten, Jr., John C. Whitehead, Robert F. Burford, William R. Hawkins, Lee Congdon, Bill Kauffman, Peter Cachion, Frederick C. Thayer, Frederick N. Andre

Freedom's Global Surge

Dear Sir:

Alvin Rabushka's "Great Leap Forward" (Summer 1987) provides several exciting examples of the power of free market/limited government ideas in spurring economic growth, creating economic opportunity, and raising the standard of living in the Third World.

Statism is on the retreat. However, the battle is far from over. Now, more than ever, it is time for us to roll up our sleeves and actively promote free market/limited government, not only in the Third World, but in the Industrialized World, because it is in our direct economic interest.

As the world economy has become more integrated, the United States, like all other nations, has lost some control over its domestic economy. The growing importance of trade and the tight linkage of international monetary policies means no country can sustain economic growth without a strong world economy. Economic growth in other nations helps determine rates of economic growth, employment, and living standards in the United States.

As Rabushka points out, higher economic growth in other countries can only occur with strong property rights, deregulation, and monetary stabilization, reduced government expenditures, and, above all, reduced marginal tax rates.

How can the U.S. government directly and/or indirectly encourage free-market capitalism in the rest of the world? First of all, Congress must continue to insist that further loans by international lending institutions to Third World countries be tied to the adoption of growth-oriented policies. As the former chairman of the Senate Foreign Operations Appropriations Subcommittee, which determines U.S. funding levels for several international lending institutions, I sought to change the economically disastrous conditionality agreements by which these institutions tied further assistance. As Rabushka points out, the lending community has begun to shift its emphasis from state-directed and state-controlled development policies to growth-oriented policies.

Second, the administation must take a more active role in promoting world economic growth. Treasury Secretary James Baker has taken large strides in moving the Treasury Department in this direction. But Treasury could—and should—do much more. Treasury should encourage countries to adopt supply-side tax reforms by aggressively making the intellectual case for lower marginal tax rates on individual efforts and enterprise. Treasury should also make the empirical case for the Laffer Curve because many Third World countries are mistakenly reluctant to cut tax rates for fear of losing tax revenues. And the State Department should put pro-growth economics at the forefront of U.S. foreign policy. Much of today's global unrest can be traced to economic causes.

Finally, the United States must continue to lead by example. Unfortunately, the Democratic-controlled Congress wants to move the country in the opposite direction towards higher tax rates, higher public spending, sweeping protectionism, and increased intervention in the private sector with measures such as an increased minimum wage, plant closing legislation, and mandated benefits. Indeed, it is vitally important for conservatives to protect and consolidate the economic achievements under the Reagan administration.

Senator Robert W. Kasten, Jr.
State of Wisconsin

Dear Sir:

As Mr. Rabushka observes, there is a welcome worldwide trend away from state-directed economies toward market-oriented ones. The leaders of many Third World countries have begun to recognize that market-oriented economies offer the best potential for stimulating long-term economic growth. Even the Soviet Union and Eastern Europe seem to be getting the message that an economy tightly controlled from the top simply doesn't work.

On the political side, we see an unprecedented spread of democracy and the rule of law—in South America, Central America, and in the Philippines. Political liberalization in Taiwan and South Korea also demonstrates that the real revolutionary idea around the world today is freedom.

Our economic and political system has been a beacon to the world. But, more importantly, our active

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engagement abroad as a leading force for peace, progress, and human dignity, as well as our commitment in the post-World War II period to positive international leadership have helped to generate and nurture the twin revolutions of free-market economics and political liberty.

But the good news must be tempered by the bad. There are obstacles that could, if given full play, prevent America from enjoying the full fruits of these twin revolutions that we have so long encouraged. These obstacles are not exclusively erected by our adversaries; many come from within. They constitute, in effect, an inadvertent withdrawal precisely at the moment when we should be most actively engaged with a world moving toward our political and economic vision.

We must, for example, be mindful of what can happen if we allow protectionism to win out. The same urge to withdraw behind trade barriers that wrought havoc for America and the world during the 1920s is strong in our nation today. When we should be striving for a more competitive America in the world economy, many are counseling us to shun that challenge and to erect barricades against the very nations we have spent 40 years urging to engage in the free market system.

Moreover, in the name of fiscal responsibility, we are diminishing our ability to defend our global interests. We have endured three successive years of drastic cuts in that 2 percent of the total federal budget that supports all of our efforts to protect our security interests, to promote global economic prosperity, and to conduct the fight against terrorism and narcotics trafficking. In 1985, the foreign affairs budget was about $23 billion; by 1986, it was down to about $19 billion; and this year, it is about $17.5 billion. Next year we face another substantial reduction of perhaps another billion dollars. Because of these reductions, we are being forced to disengage from a dynamic international role at the worst possible time.

America has a winning hand. There is a surge toward economic and political freedom in the world that we have been nurturing for 40 years. We should not discard that hand because of ill-conceived notions of protectionism or the failure to devote adequate resources to our foreign affairs. The stakes are too high.

John C. Whitehead
Deputy Secretary of State
Washington, DC

Chain Gang

Dear Sir:

John Baden's "Crimes Against Nature" (Winter 1987) conveyed several misleading messages regarding the Department of the Interior's Bureau of Land Management (BLM).

Mr. Baden implies that BLM currently destroys a large percentage of the public lands through a procedure known as chaining, when in fact the practice is very limited. Today this range-clearing process is used only when it will improve the forage for all land users by adding ecological diversity. Other benefits include improved watershed stability and precipitation infiltration rates, and reduced soil erosion.

Areas chained are generally mono-cultures of pinyon/juniper rather than the diverse habitat described by Baden. Chaining does not remove all of the pinyon/juniper; some remain for aesthetic purposes and as cover and escape routes for wildlife. After chaining, the areas are seeded with a mixture of species that provide a diversity of forage for not just domestic livestock but for a variety of wildlife.

As for Baden's implication that these BLM operations "hurt many Native Americans" who gather pinyon pine nuts as a source of winter food, chaining is performed only in areas that are not significant Native American collection and archaeological sites. Likewise, only after detailed environmental and cost-benefit analyses have been completed does action proceed.

As to his final and quite preposterous charges that "BLM has no incentive to keep costs down, or even to maximize revenues from grazing fees" and that "BLM builds its budget by winning political support from ranchers who then lobby for BLM expenditures," John Baden still has not grasped that BLM is a multiple-use agency, with livestock grazing being only one of many programs that we administer on public lands.

Robert F. Burford
Director
Bureau of Land Management
Department of Interior
Washington, DC

Old Right Stuff

Dear Sir:

Paul Gottfried's "Toward a New Fusionism" (Fall 1987) was more than just a critique of the philosophical disputes within conservative circles. It was a record of Gresham's Law at work in a democracy. In economics, Gresham's Law states that "cheap money drives out dear"; applied to politics it means "simple ideas drive out intricate."

As campus "counterrevolutionaries" 20 years ago, my comrades and I confronted the same general issues as today: the welfare state, Communist expansion, and a collapsing moral order. But we read and took seriously not only the Old Conservative intellectuals, but the centuries of political thought and history they drew on. It was a full course. But today the broth that nourished the Right when it was a cadre, has been watered down to succor the masses. And a considerable amount of sugar has been added to increase its appeal. Empty calories.

Consider Gottfried's observation that conservatives now exhibit a "cynicism about the state" resulting in a new libertarian-populist fusion. There is nothing new about conservative cynicism about the trend of democracy. Thucydides predates Burke. But this alone does not explain a movement away from strong government. Libertarianism has gained because it is the most simplistic response to the welfare state. Blanket condemnation of government avoids the complicated task of drawing distinctions between good and bad policies; or even attempting

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to define in a nihilistic era "good" and "bad" so that the first can be advanced and the second suppressed. It is easier to blast generic "bureaucrats" and transfer to the "invisible hand" the responsibility to think and act. But a nation in decline is surely doomed if its conservatives opt for anarchy rather than restoration.

The displacement of political theory by economics is a major cause of this problem. That Right and Left then condemned by supply-siders!

Gottfried correctly asserts that "tolerance is in short supply" among conservatives. Simplistic ideas appeal to the emotions rather than the intellect. Thus debates are emotional rather than analytical, often heated and bitter. Meetings degenerate into name calling and conservative journals close their pages to "heretical" views. Specific policies, which are supposed to be means to an end, become the end themselves. Such in-

When the inevitable downturn occurs, will conservatives be identified with any values that transcend the Dow Jones so that the public will remain loyal?

—William R. Hawkins

both stoop to buy votes is to be expected. The danger is that the Right has nothing else to offer. The Reagan administration has trumpeted the "opportunity society" and has floated on a wave of easy consumption financed by rising government spending, consumer debt, and trade deficits. But this national lifestyle cannot be sustained. Even without recent excesses, no one has discovered a way to repeal the business cycle. When the inevitable downturn occurs, will conservatives be identified with any values that transcend the Dow Jones so that the public will remain loyal?

And even within economics, the Right has opted for the most simplistic theory: supply-side economics. Cut personal taxes and everything will take care of itself. Propagated by journalists and politicians, it drove more substantial and versatile schools of conservative economic thought out of public view. The welfare state, stagnant productivity, a collapsing dollar, budget and trade deficits all proved beyond its scope. And despite myriad reforms, the tax burden has only been redistributed not reduced. The solid achievement of slowing inflation was accomplished by monetary policy—and flexibility makes policy unrealistic in a dynamic world.

Conservatism by nature seeks a balance between freedom and order within a strong and prosperous nation-state. It must be able to shift its weight one way, then another depending on the threat. In a democracy, complex ideas have to be translated into simple slogans to win votes; but the mistake the Right has made in the 1980s has been to substitute slogans for thought. It has thus failed to use its power constructively.

William R. Hawkins
The South Foundation
U.S. Business and Industrial Council
Knoxville, TN

Dear Sir:

While the estimable Paul Gottfried urges traditional conservatives to forge an alliance with libertarians, Dale Vree, editor of the *New Oxford Review* recommends that they make common cause with "humane socialists." Such proposals testify to the Old Right's current isolation. Largely dismissed by the media and ignored by funding organizations, its members have not had an easy time working with New Rightists who are often shrill and always populist, or with neoconservatives who lobby for "global democracy" and a pared-down welfare state. In a "conservative" era, they are the forgotten men and women.

Perhaps because I am an Anglican, I favor a conservative coalition that is as inclusive as possible. After all, adherents of the New Right have spearheaded the opposition to abortion on demand and neoconservatives have done much not only to awaken Americans to the present international danger, but also to expose the sordid reality of the 1960s. And if most forms of socialism are anything but humane, the guild socialism of G. D. H. Cole and Karl Polanyi, the distributism of G. K. Chesterton and Hilaire Belloc, and the Southern agrarianism of Donald Davidson and Andrew Lytle serve at least to remind us that unbridled capitalism inflames appetites and, by making the market the ultimate arbiter in so many areas, promotes a vulgar and debasing mass culture. For his part, Gottfried points to liberalism's praiseworthy contributions, especially its critique of the managerial class and emphasis on the dignity of persons. Certainly a conservative vision of community must exclude any unity that would destroy that dignity.

But having affirmed my general support for a broadly based Right, I think nevertheless that old school conservatives would do well to speak less of "fusion" and more of "limited cooperation." Gottfried has warned repeatedly against *any* compromise with neoconservatives, but he knows, too, that liberals and libertarians also exhibit characteristics inimical to conservatism. They possess, for example, little sense of original sin, whether understood in theological or metaphorical terms; hence, they display excessive confidence in the virtue of unrestrained action. "The effect of liberty to individuals," Burke famously observed, "is that they may do what they please: We ought to see what it will please them to do, before we risk congratulations, which may be soon turned into complaints." A caveat should also be entered against the enthusiasm for sociobiology that, as

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Gottfried observes, some traditionalists now evince. However much neo-Darwinians such as Edward O. Wilson may infuriate leftists who think "male" and "female" are merely conventional designations, they blur the qualitative distinction between human beings and other members of the animal kingdom.

Without some sort of merger, traditional conservatives—among whom I count myself—may fail to secure a place for themselves in the sun, but a victory that concedes too much is not worth the winning. In the end, they must be content to be judged by the individual lives they touch and the historic witness they bear.

Lee Congdon
Professor of History
James Madison Univesity
Harrisonburg, VA

Dear Sir:

Paul Gottfied's superb essay on the traditionalist right was a welcome contrast to *Policy Review's* usual privatizing Amtrak anthologies.

Especially on-target was his exploration, with due caution, of an Old Right-libertarian political alliance. (Despite my affiliation, I'm less a libertarian than a Jeffersonian decentralist and lonely regionalist of beautiful and forgotten upper York State.)

Kirk's frequent "chirping sectaries" charge hits the mark if the libertarians consist only of the loony disciples of Ayn Rand and the panting slaves of conspicuous consumption and industrial/finance capitalism. I'd gladly give that strawman a hard right to the chin. But by defining libertarians so capriciously, Kirk excludes countless figures (even his old pal John Randolph) who, for many and varied reasons, believed that liberty was the highest *political* virtue.

A strictly political definition of "libertarian" ropes in an exciting, motley collection of folks whose *political* agenda neatly dovetails with that of the Old Conservatives. How about people like Edward Abbey, Dorothy Day, and Karl Hess on the decentralist libertarian left? And Vermonter John McClaughry and *Chronicles* editor Thomas Fleming on the Tertium Quid right? A few members of the nascent Green movement are allies in the decentralist/voluntary communitarian quest as well, though I suppose patriarchy might be a stumbling block. (Or is there a Goddess faction at the Intercollegiate Studies Institute?)

My standard for judging alliances is "Would John Taylor of Caroline have felt comfortable with 'em?" and my guess is yes on the traditional right, yes on the libertarians, yes on agrarians and authentic rural populists (from Wendell Berry to Wayne Cryts of the AAM), and yes, even, on some of the Greens and hippies.

Mr. Gottfried's remarks about the neoconservatives were trenchant and much appreciated. Neoconservatives' dour, humorless proclamations ("An Open Letter to Milan Kundera," etc.) and failure to acknowledge pre-World War II America are bad enough. But the neocons' most pernicious act has been to shift the American Right's collective attention away from domestic reform and the preservation of society against the encroachments of the state and toward suicidal embrace of empire, a siren that must always be the enemy of regionalism, decentralism, family, community. I'd like to see the Kirk-Bradford Old Right renounce what the isolationists had the guts to call imperialism and reclaim the prudent, Robert Taftish approach to foreign policy that most Americans instinctively share.

Bill Kauffman
Washington Editor
Reason

Alarmism on Defense

Dear Sir:

Representative Jim Courter has written a gravely flawed article ("The Gathering Storm," Fall 1987), rife with factual errors, exaggerations, unsupported assertions, all of which diminish grievously the force of his argument. In a time when sober, hardheaded analysis of security threats to our nation is needed as never before, those who hope to promote a strong national defense—especially Republican congressmen!—must present as accurate and as measured a brief as possible.

Mr. Courter's article is neither measured nor accurate. For example:

- "Japan . . . destroyed the Russian navy in 1895. . . ." Actually, it was 1905. On to France 1940, where "French and Allied forces were enveloped and smashed": It was the Russians in 1941 who were encircled and smashed, not the French and British, who were defeated after a strategic penetration that split, rather than enveloped, the Allied forces. Carelessness with details of military history, so often found in the writings of liberal military reformers, is all the more distressing coming from Mr. Courter, whose writings on SDI have been marvels of precision and persuasiveness.
- On force disparity on the NATO/Warsaw Pact front: I'm sure both sides' military commanders would be very surprised to learn that NATO's "280 anti-tank guns" and "1,800 anti-tank missiles" face the Pact's 1,550 guns and 3,500 missiles. Mr. Courter's researcher deserves the same treatment the Politburo metes out to generals who fail to shoot down intruding Cessnas. These figures are not even in the ballpark.
- On SSBNs: "At sea, surprise would mean sudden attack upon U.S. naval assets, especially missile-bearing submarines." No reputable defense analyst believes that our SSBNs, our only survivable deterrent, could be wiped out now by a surprise attack. I think words such as "irresponsible" and "alarmist" are not too strong in this case.
- There is much (pointless) handwringing about the decline in numbers and total megatonnage of our nuclear stockpile, but no mention of the fact that the United States today still possesses more nuclear warheads than does the Soviet Union.

I noticed numerous other errors or dubious assertions in Mr. Courter's article (*e.g.*, Japan is virtually defenseless; homeland Canada is vulnerable to Soviet invasion; we will run out of minerals within the first

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few weeks of war), but what is really regrettable about this article is its tone.

With liberals everywhere stereotyping conservative pro-defense arguments as fevered and alarmist, Mr. Courter has played right into their hands: He has the Russians all set to invade Europe, launch a preemptive nuclear strike at the U.S., and sweep the U.S. Navy into oblivion in the war's first 10 minutes; he sees *Spetsnaz* agents lurking behind every bush and David Stockman fiendishly plotting to sell all our vital minerals. Obviously, Jim Courter wanted to fire a resounding salvo for a stronger defense policy, but he has succeeded only in shooting himself, and other pro-defense conservatives, in the foot.

Peter Cachion
Manhattan Institute for
Policy Research
New York, NY

Rep. Courter replies:

I regret your disappointment with my article, "The Gathering Storm." It was intended as strong criticism of the "conventional wisdoms" and that is what it proved to be. The article is not "alarmist," but certainly the trends it describes are alarming.

You say the article is "rife" with factual errors and other problems; naturally, I would want these pointed out. But you identify exactly three errors amidst what must be hundreds of facts. Of the three, only the last can be said to have any bearing on the thesis of the article.

1) Indeed the Japanese-Russian naval engagement was in 1905; my drafts gave that date, but the magazine's typesetter substituted 1895, and we missed this on the proofs. 2) True, the Allied forces in WWII were first split; *then* most of the French army *was* enveloped and much of the northern Allied forces *was* smashed. I wish I had merely written "defeated," because then I might have interested you in the fact that the Allies were defeated by a smaller force, while today we face a far larger one. 3) Anti-tank gun and anti-tank missile figures: error acknowledged.

Your interpretation of my passage on submarines comes very close to demonstrating the "carelessness" and "exaggeration" to which you are properly opposed. I never wrote that our missile-bearing subs would be "wiped out." I wrote that they would be targets in a surprise attack, which is most certainly true, since along with aircraft carriers, missile subs *are* the primary targets of Soviet attack subs. I then say that we still have a technological edge in quietness, and that our subs are "the least vulnerable leg" of the triad.

The megatonnage of our nuclear stockpile was mentioned because Americans assume it is increasing, while in fact it has markedly decreased. You think I should have mentioned that we still possess more warheads than the Soviets; I might also have mentioned the large Soviet advantage in megatonnage.

I respectfully suggest that your dismissal of the issue of the strategic minerals stockpile is no substitute for an argument. If you know how to "surge" production with a stockpile that was inadequate in 1980 and that has since been depleted by almost half, please tell me. Similarly, if you think Japan and Canada are secure against potential Soviet attack should war begin, please make the case.

Most of the arguments I made, and almost all of those central to the thesis, you leave untouched. Apparently you have no objections to the tale told by the figures on Soviet procurement, for example. So I would like to ask: if the Soviets are obviously well beyond building for defense, what *are* they building for?

The Deregulation Mess

Dear Sir:

I agree with Murray Weidenbaum ("Liberation Economics," Summer 1987); the *economic* deregulation of such industries as transportation, telecommunications, and financial marketing was a bipartisan effort. He, Ralph Nader, Presidents Ford and Carter, and Senator Kennedy (Weidenbaum's list) worked very hard together to "help" consumers. They created a first-class mess. First, however, a correction to Mr. Weidenbaum's cavalier treatment of *social* regulation.

While "liberals" and "conservatives" agreed on economic deregulation, the "liberals" maintained a commitment to safety, health, and environmental regulation, thereby contradicting themselves. The greater the intensity of competition, the more producers feel compelled to cheat, a lesson that Nader and others have yet to learn. But Mr. Weidenbaum cannot treat safety rules as "nitpicking"at a time when the pressures of competition have caused a huge decline in industrial safety that frightens a weak Occupational Safety and Health Administration and leads the *New York Times* to recall Upton Sinclair's turn-of-the-century label of "jungle."

Mr. Weidenbaum correctly notes that academic "purveyors of ideas" were the prime movers in economic deregulation. Ironically, these tenured professors appreciate the benefits of "protectionism" in the education industry while preaching the joys of the all-out competition they have managed to avoid. Using their logic, students taught by low-salaried neophyte professors would be as well off as passengers flown by low-salaried inexperienced pilots. At best, the "purveyors" are hypocrites.

The "purveyors" have long ignored at least two historical factors that contradict their pet theories. 1) Beginning with the railroads, economic regulation usually has been adopted only *after* the failure of unregulated competition. The common procedure has been to grant franchises to existing firms ("grandfathering"), thereby ensuring that the cause of the problem (competition) will not be removed. From a public utility perspective, most of the "regulated" industries *never* were regulated, and *always* suffered from the overcapacity of excessive competition. Combining economic regulation and competition make regulatory processes grossly inefficient and expensive, keeping prices too high. 2) A number of industries were regulated in the 1930s, when many liberals and conservatives agreed that unregulated competition had caused the Great Depression,

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just as it had caused the crash of the 1890s, Herbert Hoover (in 1931) and Franklin Roosevelt (1933) both said so while making policy proposals. Their contemporary descendants refuse to admit that competition can ever be a problem, but the 1931 Hoover would laugh at Weidenbaum, and the Roosevelt of 1933-35 would ridicule Nader. The "purveyors" keep these matters out of their textbooks, presumably to guard against challenges to "liberation economics."

As for just some of Mr. Weidenbaum's claims:

- Yes, the deregulation of depositor interest rates and the expansion of interstate banking have helped push up depositor rates. But bank managers under pressure to capture deposits feel they must "launder" the huge cash deposits of drug dealers by "forgetting" to report them. While this helps drug consumers, it is criminal negligence. Meanwhile, high depositor rates cause higher rates for borrowers, including government. Deregulation (not government deficits) keeps *real* interest rates high because the supply of money is regulated (limited).
- Yes, trucking rates are down, but high accident rates for trucks and wholesale safety violations have become the norm, not to mention the widespread use of "super-trucks" that tear up the highways. Mr. Weidenbaum's home-town newspaper runs outstanding articles on this menace, but the "purveyors" cannot understand why a trucker who must make payments on the rig (but can't afford insurance) drives 20 nonstop hours and pops pills. Rates are too low.
- Yes, long-distance phone rates are down, but standard fares are way up, and average fares actually paid have about the same relation to the price index as before. Meanwhile, the airline mess makes daily headlines. The congestion that clogs big airports and delays flights is a by-product of deregulation and the overuse of "hub/spoking," forces passengers to take connecting flights instead of nonstops. The National Transportation Safety Board warned that we are poised on the edge of disaster. Major airlines are being fined record amounts for wholesale safety violations (up to $9 million per airline).

Those who are not obsessed by the economic principle that supply cannot chronically exceed demand realize that the world's major industrial problem is overcapacity or "glut," which reaches 30-50 percent in many industries. "Deregulation" or "free trade" cannot solve this problem and its corollaries (Third World industrial debts). Hoover and FDR proposed cartel-like industrial planning, and a global version is needed now. We can either begin to "divide the world's business" in systematic and nonideological ways ("Yugos" are a part of the auto industry), or stand ready to repeat the sequences of overcapacity, depression, trade wars, and imperialism that culminated in two world wars. The "purveyors" cannot help; I vote for Hoover and Roosevelt.

Frederick C. Thayer
Professor
University of Pittsburgh
Pittsburgh, PA

Dear Sir:

To Murray Weidenbaum's comprehensive article, I would add the following observations:

1) Much cost-increasing regulation of motor carriage still exists at the state level for intrastate traffic. For example, in the highly regulated Texas intrastate trucking market, it costs more to ship a container load of blue jeans from El Paso to Dallas than from Taiwan to Dallas.

2) Mr. Weidenbaum briefly noted that "the ICC presence was retained" in the trucking area. This "presence" is significant because it can allow a future pro-regulation Interstate Commerce Commission to puff up the now dormant regulatory shell. While it would be politically difficult for the agency to attempt to undo all the truck entry that has taken place, the agency could bow to industry pressure by imposing a floor on rates, as it did prior to the 1980 regulation.

Frederick N. Andre
Commissioner
Interstate Commerce Commission
Washington, D.C.

Murray Weidenbaum replies:

I welcome Commissioner Andre's response to my article. It gives me the opportunity to express my admiration for his key role in the continuing battle to reduce the burden of regulation.

Professor Thayer's letter is another matter. It is difficult to take seriously one who contends that "unregulated competition" caused the Great Depression and who concludes that the need of these times is "cartel-like industrial planning" on a global scale. Does anyone really believe that the failure to enact comprehensive federal regulation of radio broadcasting prior to 1934 was a contributor to the poor performance of the American economy during that decade?

Thayer also manages to thoroughly garble my point about OSHA eliminating some nitpicking regulations. First of all, the term "nitpicking" was used by the Carter administration itself in describing its effort to rid us of such silly rules as what color to paint exit lights. Only a careless reader would jump to the erroneous conclusions that I consider all social regulation to be nitpicking. In my article, I favorably mention the effort to relate the costs of these regulations to their benefits, hardly a "cavalier" approach.

Although he does not bore us with details, Thayer contends that deregulation has yielded a "mess." I assume he does not have in mind the low air fares that have attracted so many additional travelers to what is still the safest mode of transportation—or the fact that at least 120 more small towns enjoy air sevice today than prior to deregulation—or that most of those tiring flights with three or more intermediate stops have been eliminated—or that empty back hauls have been consigned to the history of interstate trucking—or that small depositors are finally receiving a competitive market rate of interest on their savings—or that cross-subsidization is being eliminated in the telephone business.

Finally, I plead not guilty to the charge that I expect deregulation to cure the problem of Third World debt—or my incipient baldness.

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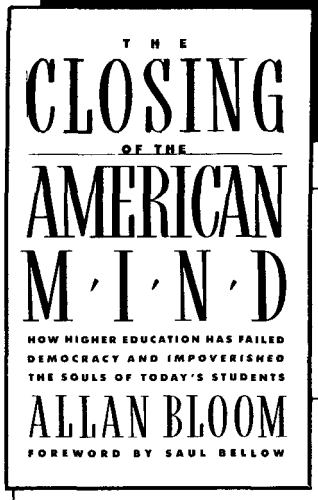

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Bob, you've talked about support for SDI, but you wrote in POLICY REVIEW that you would use it as a negotiating chip. *Representative Jack Kemp to Senator Bob Dole, NBC Presidential Debate*

On Marcos:
The Director of Central Intelligence, William J. Casey, originally proposed to Ferdinand E. Marcos that he call the early presidential election that ultimately led to Mr. Marcos' exile, according to an article by Senator Laxalt in POLICY REVIEW. *New York Times*

On Afghanistan:
The allegations made against the Afghan government in Michael Johns' [POLICY REVIEW] article . . . have been repeatedly made against the Democratic Republic of Afghanistan and her historic and trusted friend, the Soviet Union. *M. Sharif Yaquobi, Embassy of Afghanistan, Washington Times*

On Angola:
Savimbi's strategy, as he outlines in POLICY REVIEW, is . . . "to raise the costs of the foreign occupation of Angola until the Cubans and the Soviets can no longer bear the burden." *Norman Podhoretz, Washington Post*

On Israel:
Israel gains "convert" in Christian rightist—Helms. Jesse's alternative, spelled out in POLICY REVIEW, was for the United States to "face up to the fact that aid to Israel is essentially a defense cost." *Wolf Blitzer, New York Jewish Week*

On Arms Control:
In POLICY REVIEW, Richard Pipes [stated that arms control] "negotiations have been a failure," Irving Kristol asserted the negotiations "have only benefited the Soviet Union," [and] Richard Perle stated . . . "I don't think the negotiations have helped us in the main." *George Ball, New York Review of Books*

On the Conservative Movement:
POLICY REVIEW . . . is the organ of the Heritage Foundation—the brain center of the most extreme reaction. *Pravda*

On Robertson:
Pat Robertson made the first extensive airing of his foreign policy views in an article in POLICY REVIEW. *Miami Herald*

On Balancing the Budget:
[Compared with George Bush] Jack Kemp has been getting off a bit easy. Now he's surfaced with an article in POLICY REVIEW entitled "My Plan to Balance the Budget." *Michael Kinsley, Wall Street Journal*

On Crime and Poverty:
In the days when decent people used to worry about the "roots of crime," a lot of us were convinced that one of the chief causes of crime was poverty. . . . James K. Stewart, writing in POLICY REVIEW, has turned the idea on its head. Crime, he says, causes poverty. *William Raspberry, Washington Post*

On Rock Politics:
Charlton Heston told POLICY REVIEW magazine: "This may sound snobbish, but the intellectual level of rock musicians is not to be envied." *People Magazine*

On Gas Prices:
[Once there were] widespread predictions that gasoline prices would rise to more than two dollars a gallon. POLICY REVIEW has published a large collection . . . of such predictions. It should be required reading. *Thomas Sowell*

On Liberal Schizophrenia:
POLICY REVIEW . . . managing editor Dinesh D'Souza . . . scorches THE NEW REPUBLIC for "a squid-like cloud of rhetoric" on difficult social issues. "It's no use accusing TNR of schizophrenia—the editors take it as a compliment," he writes. *Washington Post*

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